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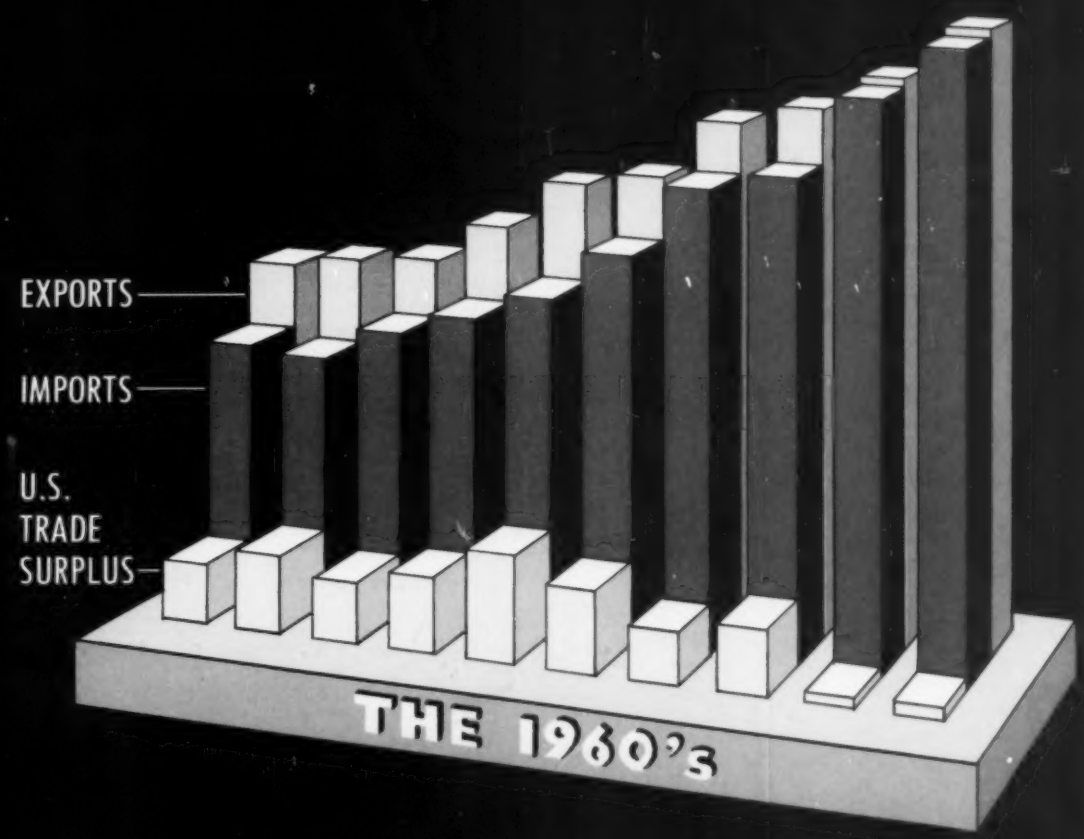
International Commerce

U.S. trade surplus: trends in the '60's



A U.S. DEPARTMENT OF COMMERCE WEEKLY

XUM

International Trade Winds

Company News

LIQUEFIED NATURAL GAS—Procon Inc., subsidiary of Universal Oil Products Co., Des Plaines, Ill., in a joint venture with Japan Gasoline Co., Tokyo, has been selected as contractor for what is described as the world's largest liquefied natural gas plant, to be built in Brunei, Borneo, for Brunei LNG Ltd. It will liquefy approximately four million tons of natural gas per year, which will be shipped to Japan. Brunei LNG Ltd. is owned by the Royal Dutch Shell Group, the Mitsubishi Group of Japan and the Brunei Government. The gas will be supplied by Brunei-Shell offshore wells and piped to the plant. Procon will direct project management, field supervision of construction and world-wide procurement of equipment outside Japan. Japan Gasoline Co. will handle procurement of Japanese material and equipment.

STEEL—USS Engineers & Consultants, Inc., U.S. Steel subsidiary, has signed contracts to provide technical assistance and training programs for one of the largest steel companies in South America, Companhia Siderurgica Nacional. The Rio de Janeiro firm will receive technical assistance in all aspects of steel making at the company's Volta Redonda complex, and appropriate personnel will be trained at plants in the U.S. The contracts also include assistance in planning an expansion of the companies facilities.

BANKING—First National City Bank, New York, announced plans to open a branch in Suva, capital of the Fiji Islands, in early 1970. This will be the first branch of any American bank in the British Crown Colony and the first Citibank office in the South Pacific. Citibank also maintains offices in at least seven other Pacific countries and has financial affiliates in Australia and Thailand.

PACKAGING MATERIALS—The Stanley Works, New Britain, Conn., opened new facilities in Gelsenkirchen, Germany to produce steel strapping for the European market. The plant is a joint venture between a Stanley subsidiary, The Stanley Works, GmbH, Velbert, Germany, and Kaltwalzwerk Brockhaus, GmbH, Plettenberg, Germany. The Velbert plant manufactures hardware and the Plettenberg operations produce cold-rolled steel. The new facilities will have a monthly capacity of more than 2,000 tons.

Newsletter

Export expansion out of Brussels with an assist from better-prepared executives in Covina, Calif. That was the aim of an in-plant seminar for officials of the True-Trace Division of Textron conducted by specialists from the Department of Commerce Los Angeles Field Office and the Bank of America. The Covina manufacturer of machine tool tracing and control systems is aiming at more European sales through its new Brussels office. Commerce's Bill Lockett and the bank's Richard Ogle swept the spectrum of export services in a program that can be used before other U.S. company executive audiences.

Commerce Department is adding some takeoff thrust to a third multiple trade mission organized by a U.S. international airline. Pan American World Airways is being joined by five industrial or regional groups in a March mission to Brazil and Venezuela. A Commerce advance man is now in South America arranging business appointments for the mission members. Pan Am flew its first multiple mission to Australia in 1968, and TWA took one to four Southeast Asian countries last fall.

More than a hundred environmental engineers and water supply experts came from 13 countries in Southeast Asia to attend the Commerce-organized Bangkok Water Supply and Sanitation Exhibition and Seminar. Twelve U.S. exhibitor firms seeking agents in Thailand reported negotiations at show's end with 25 candidate companies. The action at the show led a number of exhibitors to tear up their return travel plans, and schedule follow-up visits to nearby Asian countries to check sales and agency leads.

Another upshot of the Water Supply and Sanitation Exhibition and Seminar at Bangkok was the formation of a regional professional association. About 30 leading engineers and businessmen in Southeast Asia have now banded together to continue the exchange of information in the field of water supply and environmental quality control. Their membership can be an important bridge to a lively market for U.S. companies.

States in the U.S. may be interested in the current listing of worldwide offices of the Canadian Province of Ontario's Department of Trade and Development. In addition to U.S. offices at New York, Chicago, Cleveland, Boston, Atlanta and Los Angeles, Ontario has offices in London, Duesseldorf, Stockholm, Milan, Brussels, Vienna, Tokyo and Kingston, Jamaica.

NOTICE: This information is offered to preview or provide informally brief and varied comment on Bureau of International Commerce worldwide export and investment promotions. It is not final and does not substitute for the detailed know-how and analysis in our regular news columns.

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the cover

The pattern of overall U.S. trade with the world in the decade just ended shows a steady growth in exports over the whole period, but a recent striking climb in imports has all but wiped out the customary comfortable annual trade surpluses. Detailed figures spelling out this trend are included with the story of U.S. trade performance in 1969, beginning on page 2.

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XUM

FULL YEAR'S SUMMARY

Import growth moderates as U.S. economy slows

Exports rise by a tenth for second year in row; trade surplus is slightly larger

The U.S. merchandise trade surplus edged up in 1969 but continued far below levels reached during most of the sixties. The improved performance last year stemmed from the sharp fall in the rate of increase in imports, mainly as a consequence of the slackening in U.S. economic growth. At the same time, exports chalked up a substantial advance as demand expanded vigorously in most other industrial nations.

Exports, excluding military grant-aid, climbed to $37.3 billion, an increase of about 10% over 1968. This rate of gain was about the same as in the preceding year but well above the 7% average annual advance achieved during the 1960-68 period. On the other hand, the slowdown in U.S. economic activity and the absence of strike-hedge buying of certain commodities reduced the rate of increase in imports drastically—to about 9% from 24% the year before. By comparison, in the first eight years of the decade, the inflow of foreign products rose at an average rate of 10½%.

With U.S. shipments expanding faster than purchases of foreign products, our merchandise trade surplus rose to $1,262 million from the nine-year low of $837 million recorded the year before. Had it not been for the prolonged longshoremen's strike at Atlantic and Gulf coast ports in the early months of the year, the surplus would have been approximately $400 million greater in 1969. The net adverse impact on our trade balance stemmed from the heavier sales losses sustained by U.S. exporters compared with reductions in purchases by our importers.

Adjusted to a balance-of-payments basis, the surplus amounted to about $674 million, little changed from 1968. Most of the adjustment involves the exclusion from Census trade figures of military shipments and receipts which are reported elsewhere in balance-of-payments statistics.

U.S. trade increases throughout the 60's

Year	Exports[1]	Imports
	Million dollars	
1960	19,659	15,073
1961	20,226	14,761
1962	20,986	16,464
1963	22,467	17,207
1964	25,832	18,749
1965	26,751	21,429
1966	29,490	25,618
1967	31,030	26,889
1968	34,063	33,226
1969	37,314	36,052

[1]Excluding military grant-aid shipments.

Nonfarm exports strong

The one-tenth increase in U.S. exports in 1969 was attributable fully to greater shipments of nonagricultural products. These exports advanced by 13%, a rate of expansion slightly higher than that recorded in the preceding year. By comparison, the average rise in nonfarm exports for the 1960-68 period amounted to 8.2%. Accelerated business activity in a number of major countries was the primary factor in this good export showing. Increased deliveries of military goods contributed to the advance.

In contrast to 1968 when the surge in shipments of transport equipment and chemicals provided the major growth impetus, much of last year's advance resulted from the quickening in the outflow of machinery. The large, $1.3 billion, or 15%, increase in machinery exports reflected the investment boom abroad that has stimulated demand for U.S. capital equipment of most types. The 1969 expansion in machinery shipments was twice as rapid as that of the year before and well above the 1960-68 average annual 8.9% gain.

Within machinery, sales of computers and parts contributed most to the rise—the 50% advance was the largest since 1961. As in earlier years, most of the increase resulted from stepped up shipments of complete units to Western Europe, Canada, and Japan where the pressure to achieve greater efficiency in data processing and production and inventory control is strong. Exports of computer parts also increased, not only to the industrial countries but also to such nations as Hong Kong and Mexico where they are assembled into finished products and shipped to this and other markets.

Spurred by growing foreign demand for labor-saving machinery, exports of materials handling equipment scored prominent gains, particularly in Canada and Western Europe. Shipments of the high quality and specialized U.S. construction, mining, and printing machinery also continued to find ready markets abroad.

Exports of electrical machinery were especially buoyant, rising by 17%, nearly double the 1968 rate. Silicon diodes and integrated circuits led the 70% advance in exports of semiconductor devices. Many of these items are shipped for assembly abroad. The completed products, such as electronic desk calculators, are then sold to the United States and other countries. Exports of radio and TV apparatus, particularly to Western Europe, Japan, and developing Asian countries, also showed a sizable increase.

One notable exception to the generally rising trend in machinery exports was the sharp decline in shipments of generators. Reduced deliveries to the developing countries accounted for most of the drop.

New export orders for machinery received by U.S. manufacturers increased by a record 26% last year, more than twice the 1968 growth rate. The greater part of the advance resulted from a strong second half showing, particularly in the third quarter. Shipments generally kept pace with orders during the year though the ratio of unfilled orders to shipments, a rough indicator of delivery time, climbed from its September low to higher levels in the final months.

Exceptionally expansive demand abroad, the resultant pressures on foreign

production capacity, and strikes in several countries all contributed to the huge, $357 million, or 61%, increase in exports of iron and steel-mill products. This rate of gain was by far the largest advance registered in many years. Demand was especially strong in Western Europe where the steel industry, despite near capacity operation, was unable to satisfy domestic and foreign requirements. Italy, Germany, and France were especially good markets for U.S. steel products in that area. The large increase in exports to Canada stemmed in part from shortages created by the long strike by steelworkers. Steel exports to Latin America, especially Argentina, also showed a big rise, at least part of which can be attributed to reduced competition from other, mainly European, suppliers.

The boom in foreign steel demand stimulated exports of complementary materials as well. Shipments of coal and iron and steel scrap in particular recorded large gains. Coal exports, largely bituminous for conversion into coke in Japan, increased by an unusually sharp 18%. Strong demand in Western Europe and Japan spurred an increase of one-half in exports of scrap. Large advances were also recorded in sales of certain additive materials, such as molybdenum ores, used in the production of steel alloys.

Following a slight decline in the preceding year, exports of aluminum boomed with an increase of more than one-half. Greater shipments of ingots and unwrought alloys to Japan accounted for much of the gain.

Slowdown in transport equipment

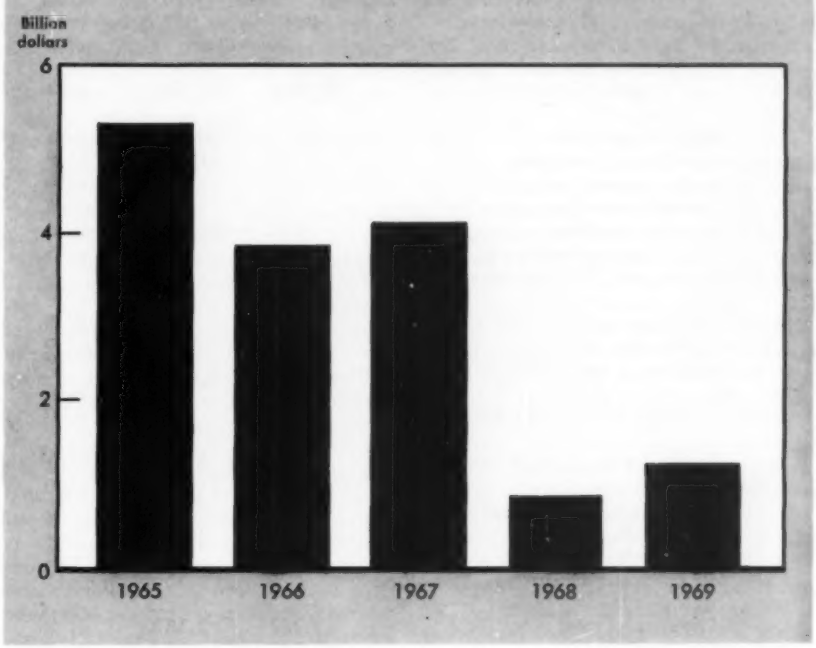
The marked falloff in growth of transport equipment exports reflected the decline in sales of commercial aircraft and the more modest expansion in shipments of automotive products to Canada. The drop in aircraft exports was expected as airlines awaited the introduction of the large jumbo jets. However, deliveries of military aircraft continued to advance.

Comprising roughly two-thirds of our exports of automotive products to Canada, shipments of parts and accessories to that country increased much more moderately than in 1968. Since most of these parts are assembled into finished cars to be sold in the U.S. market, the slowdown resulted from the sluggishness of auto demand in this country. The rate of growth in shipments of cars to Canada was also smaller than in the preceding year. On the other hand, truck deliveries showed a large increase.

The decline in shipments of fertilizers and insecticides to Asia and Latin America played an important role in reducing the rate of advance in exports of chemicals to 3% from 17% in 1968. Additional factors were the speedup of deliveries in late 1968 which curtailed last year's totals, and some slackening of demand in Western Europe. The latter development had a dampening effect chiefly on exports of organic and inorganic chemicals and plastic materials.

In contrast, shipments of nuclear materials and of medicinals moved at an accelerated pace. Nuclear materials exports more than doubled, largely as a result of greater deliveries to Japan and Germany.

Trade surplus still small despite '69 rise



Farm exports decline again

Continuing a downward trend that began in 1967, U.S. agricultural exports dropped by 5% to $6 billion. Considerable improvement, however, occurred in the final half when farm shipments were running at an annual rate of $6.5 billion. In addition to reduced world demand resulting from bigger crops in both exporting and importing areas, U.S. farm exports in 1969 were severely retarded by the dockstrike. Wheat exports fell by more than $250 million, reflecting smaller loadings for India, Pakistan, and Brazil. Greater foreign supplies and a drop in the quantities available for export depressed shipments of cotton. Large declines were also noted in deliveries of grain sorghums.

Recovering from 1968 declines, exports of both fruit and cattle hides rose significantly. In each case, greater U.S. supplies made the increase possible.

Export price rise strong

U.S. export prices, as measured by the unit value index, advanced by 3.7% in 1969. This rate was more than double the 1968 increase and well above the average yearly rise of 1.5% experienced in the 1960-68 period. Although most of the climb can be attributed to sharply higher quotations for finished manufactures—which account for roughly two-thirds of our exports—price increases were recorded for a broad spectrum of products. In general, these price developments reflected the severe inflationary pressures in the U.S. economy.

The increase in finished manufactures prices, which accelerated to about 5% last year, was widely distributed and affected such products as machinery, motor vehicles, and clothing. After declining for two years, the unit value index for semimanufactures held steady in 1969, remaining below the average level of the last five years.

A more substantial increase in these prices would have been registered had it not been for a drop in the unit value index for chemicals. This development can prob-

U.S. exports of selected principal commodities

Commodity	1968	1969	Percent change 1968-69
	Million dollars		
Nonagricultural commodities, total	**27,972**	**31,508**	**+13**
Machinery, total	**8,844**	**10,138**	**+15**
Engines, turbines, and parts	1,158	1,257	+ 9
Electronic computers and parts	485	728	+50
Telecommunications apparatus	535	619	+16
Electric power machinery	531	561	+ 6
Materials handling equipment	462	531	+15
Tracklaying and off-highway tractors and parts	460	497	+ 8
Agricultural tractors, machinery, and parts	414	421	+ 2
Construction and maintenance equipment	355	386	+ 9
Air-conditioning and refrigerating equipment	328	362	+10
Semiconductor devices and parts	204	346	+70
Transport equipment, total	**5,603**	**6,242**	**+11**
New motor vehicles	1,464	1,613	+10
Automotive parts and accessories	1,529	1,756	+15
Civilian aircraft	1,405	1,241	−12
Military aircraft	405	601	+48
Aircraft parts and accessories	499	556	+11
Chemicals, total	**3,287**	**3,383**	**+ 3**
Organic chemicals	848	905	+ 7
Inorganic chemicals	348	373	+ 7
Plastic materials and resins	590	590	——
Medicinals and pharmaceuticals	314	363	+16
Other nonagricultural commodities, total	**10,238**	**11,745**	**+15**
Iron and steel-mill products	583	940	+61
Iron and steel scrap	201	303	+51
Aluminum	191	294	+54
Coal	503	594	+18
Paper and manufactures	545	585	+ 7
Textiles other than clothing	522	576	+10
Professional, measuring, and controlling instruments	469	563	+20
Petroleum and products	454	434	− 4
Agricultural commodities, total	**6,227**	**5,936**	**− 5**
Soybeans	810	822	+ 1
Wheat	993	726	−27
Corn	734	726	− 1
Rice	348	348	——
Fruit and vegetables	439	497	+13
Cotton, excluding linters	459	280	−39

ably be related to the decline in domestic prices of both industrial and agricultural chemicals which, in turn, reflected the slower growth in demand and the addition of new production capacity. Lower export prices for chemicals were to some extent balanced by a rise in quotations for lumber and nonferrous metals, especially copper and aluminum.

Reversing a two-year downtrend, prices of crude materials exports also increased in 1969. Higher unit value indexes for coal and tobacco played an important role in this rise. The upward pressure on coal prices resulted from heavy domestic and foreign demand. In contrast, lower quotations for soybeans and cotton had a depressing effect on prices of crude materials. Following a decline in 1968, export prices for foods climbed to higher levels, mainly because of corn and fruit.

Consumer goods pace imports

For the fourth consecutive year, arrivals of consumer goods contributed most to the overall import advance. Stimulated by another sizable rise in personal consumption expenditures, these purchases climbed to $11.1 billion. This was an increase of 22% over 1968 when a much larger, 40%, advance was recorded. Imported consumer goods, excluding American model automobiles from Canada, accounted for 4.3% of personal consumption expenditures for goods. By contrast, this ratio stood at 3.9% in 1968 and averaged 2.9% in the period 1960-68.

The more moderate 1969 growth rate for imports of consumer goods reflected the slower pace of spending by U.S. consumers. Imports of consumer durables, which account for nearly three-fourths of total U.S. purchases of foreign consumer products, advanced much less rapidly than the year before. The major factor in this development was the relative sluggishness of auto sales during much of the year which dampened the increase in car imports from our overseas suppliers as well as deliveries from Canada. In addition, the rate of advance in arrivals of automotive parts and accessories from Canadian plants was reduced considerably as U.S. auto production dipped below 1968 levels.

Following an increase of nearly two-thirds in 1968, imports of foreign-make autos climbed by only 7% in value last year. The unexpected decline in deliveries from Germany—attributed by industry sources to shipping problems during the longshoremen's strike—was the principal restraining factor. On the other hand, Japanese manufacturers continued to make inroads into the U.S. auto market. From only $7 million in 1963, car imports from Japan rose to $25 million in 1965, to $194 million in 1968, and to $301 million last year.

As a result, Japan's share of the import total rose to 22.5% in 1969 from 4.8% in 1965. Most of this increase occurred at the expense of German cars whose share dropped to 55.6% from 71.1% between these years. Japanese cars have found ready consumer acceptance here largely on the basis of attractive styling and more powerful performance features than other small imports in the same price range. Imports were also stimulated by the growing inventory requirements of an expanding dealer network.

Sales of imported cars, excluding those

from Canada, accounted for 10.9% of total automobile sales in this country last year. This ratio has increased steadily since 1961.

Large increases were again recorded in imports of clothing and footwear. Clothing purchases rose to $1.1 billion, an advance of 29%. Greater inflows from Japan and the developing countries of East Asia—Hong Kong, Taiwan, and Korea—accounted for most of the rise. Although still small in comparison with imports from the countries just mentioned, purchases of clothing from Canada more than doubled last year. Canadian industry sources attribute this increase to their ability to adapt to fast changing U.S. style preferences more readily than American firms who production runs are larger and more fully automated.

Footwear imports continued their rapid expansion of recent years with an advance of one-fourth. Style as well as price continue to be the major factors in the growth of these imports. Most of last year's advance reflected greater arrivals of leather shoes from Italy, our leading foreign supplier of nonrubber footwear. As a percentage of U.S. consumption, foreign nonrubber footwear amounted to about 13% in value and 25% in quantity last year.

The inflow of radio and TV sets surged by two-fifths as a result of sharp increases from Japan and, to a lesser extent, Hong Kong and Taiwan. The rapid advance in these imports in recent years can be attributed to expanded production for this market by U.S. affiliated firms abroad.

Spurred by the sharply stepped up rate of investment spending, imports of capital equipment climbed strongly to $4.1 billion last year. The 23% expansion, the same rate as that recorded in 1968, was the result of accelerated arrivals of machinery and the continued heavy inflow of trucks from Canada. The ratio of capital goods imports (excluding Canadian trucks) to U.S. outlays for producers durable equipment climbed to 5.1% from 4.7% in 1968 and 2.0% at the start of the decade.

Two-thirds of the $749 million boost in imports of foreign capital equipment consisted of machinery. In the forefront of this expansion were sizable increases in purchases of office machines and parts, materials handling equipment, telecommunications apparatus, and electronic components. Much of the one-half climb in office machinery imports reflected higher deliveries of parts, particularly from Canada, Mexico, and Hong Kong where U.S. companies either have large subsidiary operations or have concluded production agreements with foreign firms. The advance in arrivals of telecommunications equipment stemmed mostly from increases in radio-telephone apparatus from Japan and navigational aids from U.S. affiliates in Canada.

In contrast to these upward movements, purchases of foreign textile machinery fell to lower levels. Nearly all of this downturn represented sharply reduced receipts of weaving machines from Spain. The drop in imports of metalworking machinery reflected heavy demand in Western Europe which limited export capabilities.

Civilian aircraft purchases were 5% below the 1968 value which, in turn, was inflated by the return of used commercial jetcraft from Canada for trade-in on newer models. Imports of aircraft would have shown a larger decline had it not been for stepped up arrivals of medium sized commuter and executive type planes. Vigorous demand in this country boosted deliveries of trucks, mostly from U.S. subsidiaries in Canada, by about one-half.

In contrast to the one-fifth surge posted in 1968, imports of industrial supplies held level last year at $14.2 billion. By far the most important factor contributing to this development was the sharp decline in purchases of copper and iron and steel-mill products.

Copper imports dropped by nearly a half from abnormally high levels in the previous year when receipts of refined copper were swelled by a long strike in the industry. At $487 million, imports of copper were the lowest in four years.

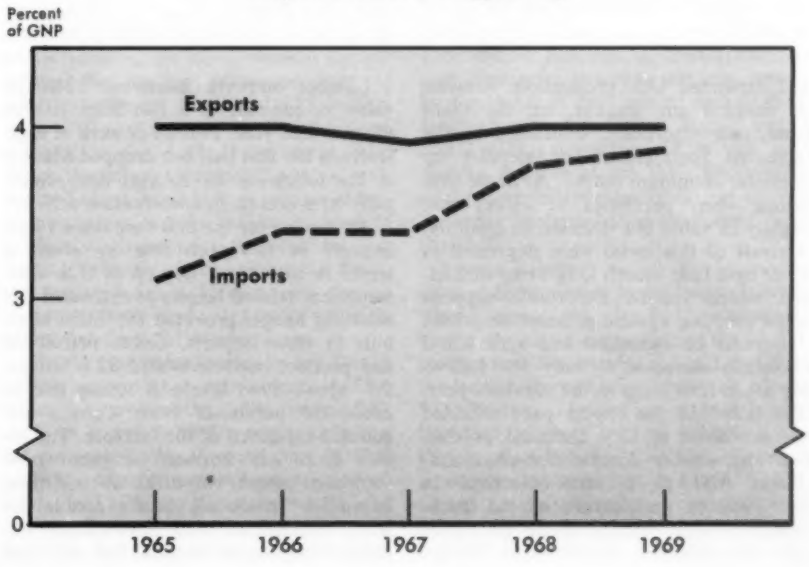
After a steep climb in 1968 induced by strike anticipatory stockbuilding, arrivals of steel fell by $238 million. Two special circumstances are important in this regard. On the one hand, suppliers in the EEC and Japan agreed in late 1968 to limit their 1969 shipments here to 5.75 million tons each. On the other hand, extremely heavy steel demand on the Continent limited export availabilities in the EEC. As measured by U.S. import statistics, Japanese producers exceeded their voluntary limit while quantities received from EEC producers were below the allotment. Japanese exporters have recently expressed their intention to deduct the amount of last year's excess from the 1970 agreed shipment quota.

In 1969, imports of steel accounted for 13.7% of U.S. apparent consumption, down from 16.9% the year before. However, the ratio was still higher than that recorded in 1967.

Also declining sharply were imports of aluminum, reflecting the absence of strike hedge buying which occurred in 1968,

This article, and accompanying tables and charts were prepared by the International Trade Analysis Division of the Commerce Department's Bureau of International Commerce. Nonmilitary merchandise trade is discussed briefly in the context of an article that follows on the U.S. balance-of-payments position, pages 7-9.

Export share of GNP is constant, import ratio edges up



U.S. imports of selected principal commodities

Commodity	1968	1969	Percent change 1968-69
	Million dollars		
Industrial supplies and materials, total	**14,159**	**14,163**	+ [1]
Petroleum and products	2,339	2,556	+ 9
Iron and steel-mill products	1,962	1,724	−12
Iron ore	454	402	−11
Copper metal	855	486	−43
Aluminum metal	350	264	−25
Newsprint	863	939	+ 9
Textile yarns and fabrics	841	883	+ 5
Industrial and agricultural chemicals	689	708	+ 3
Lumber	569	639	+12
Woodpulp	432	501	+16
Crude rubber	188	275	+46
Consumer goods, total	**9,146**	**11,128**	**+22**
New automobiles	2,782	3,355	+21
Automotive parts and equipment	1,020	1,255	+23
Clothing	855	1,106	+29
Footwear	388	488	+26
Radio and TV sets	459	643	+40
Sound recorders and reproducers	251	360	+43
Toys, games, and sporting goods	283	348	+23
Foods and beverages, total	**5,271**	**5,239**	**− 1**
Green coffee	1,140	894	−22
Meat and preparations	746	864	+16
Fish and preparations	629	690	+10
Whisky and other alcoholic beverages	626	648	+ 4
Sugar	640	638	− [1]
Capital equipment, total	**3,304**	**4,053**	**+23**
Nonelectrical machinery	1,938	2,284	+18
Electrical machinery	700	870	+24
Trucks and chassis	479	722	+51
Civilian aircraft and parts	187	177	− 5

[1] Less than 0.5%

and expanded U.S. production. Arrivals of alumina and bauxite, on the other hand, rose vigorously, stimulated by the increased requirements of stepped up domestic aluminum output. As in the preceding year, purchases of nickel rose slightly in value but declined in quantity. Arrivals of this metal were depressed in 1969 by a four month long strike in Canada which limited exportable supplies while exerting upward pressure on prices.

Imports of industrial and agricultural chemicals increased by only 3% following a one-fifth jump in the previous year. The falloff in the import pace reflected the slowdown in U.S. chemical production and weaker demand for crude fertilizers. Also, the speedup of arrivals in late 1968 in anticipation of the dockstrike probably shifted some purchases into that year.

Lumber imports increased 12% in value in contrast to a two-fifths rise in the previous year. Purchases were at high levels in the first half but dropped sharply in the following six months due principally to a decline in construction activity.

Advancing for the first time since 1966, imports of newsprint rose by about a tenth. A substantial step-up in U.S. consumption, related largely to increased advertising linage, provided the main stimulus to these imports. Crude petroleum and product imports totaled $2.6 billion, 9% above 1968 levels. A strong rise in crude oil purchases from Canada accounted for much of the increase. The inflow from our northern neighbor now comprises about two-fifths of our total imports of crude oil, nearly double the share recorded in 1965. Substantially expanded imports of residual fuel oil from the Netherlands Antilles, Venezuela, Italy, and the Netherlands contributed importantly to the overall advance.

The large $246 million drop in coffee arrivals held imports of foods and beverages close to 1968 levels, offsetting increased deliveries here of meat, fish, and cocoa beans. As a result of expanded purchases in late 1968 to avoid shipping delays in the event of a dockstrike, coffee stocks had been built up to unusually high levels. To reduce inventories, U.S. importers cut back buying last year. Although coffee imports rose sharply again in the final 1969 quarter, the increase had little impact on the yearly total.

Higher prices accounted for half of the value advance in fresh and frozen beef purchases from Australia and New Zealand, and all of the increase in arrivals of canned hams from Denmark, the Netherlands, and Poland. Larger deliveries from Canada and India led a one-tenth rise in imports of fish. Although purchases of cocoa beans declined 4% in quantity, the import value rose by a fourth due to sharply higher prices.

The import bill for foods and beverages accounted for 4.4% of such U.S. expenditures. The ratio was less than the record 1968 level but exceeded those of other years of this decade.

Big rise in import prices

U.S. import prices, as measured by the unit value index, registered last year their largest advance of the 1960's. The roughly 3¾% increase was broadly based among commodities.

Rising prices for consumer goods, trucks, and newsprint boosted the unit value index for finished manufactures by 4%, also the most substantial advance of the decade. Finished manufactures account for about one-half of our import total.

The nearly 5% rise in import prices of crude materials reflected higher quotations for petroleum, nonferrous ores, and rubber. Increases in iron and steel-mill products, nonferrous metals, and lumber contributed importantly to the small advance in the unit value index for semimanufactures. Although lumber prices for the full year were on the average above 1968, the decline in residential construction in this country in the final half depressed these prices from peak levels recorded earlier.

The sharp upturn in food prices reflected higher unit values for meat, fish, cocoa, and sugar. Despite increasing coffee prices in the final months—stemming from renewed stockbuilding in anticipation of still higher prices and reduced supplies in Brazil—import prices of this commodity were lower last year than in 1968.

U.S. payments balance figures vary for '69; but both computations show surplus for fourth quarter

Official reserve transactions basis has $2,777 million surplus for year; but liquidity basis shows $6,985 million deficit

The two methods of computing the U.S. balance of payments show either an approximate $7 billion deficit or a $2.8 billion surplus for 1969, but both agree in their verdict of a fourth quarter surplus.

Based on preliminary data, the U.S. balance of payments on the liquidity basis was in surplus by $1,137 million in the fourth quarter of 1969. The Commerce Department's Office of Business Economics announced that this surplus represented a $3.7 billion improvement from the $2,581 million deficit in the third quarter. The liquidity balance for the full year 1969 was nevertheless in deficit by a record $6,985 million, a $7.2 billion deterioration from 1968.

The balance of the official reserve transactions basis was in surplus by $1,323 million, seasonally adjusted, in the fourth quarter, an improvement of $2.2 billion from the $926 million deficit in the third quarter. For the year as a whole, the official balance was in surplus by $2,777 million, a $1.1 billion improvement over 1968.

On either basis, the balances reflect changes in U.S. official reserve assets. In addition, the liquidity balance takes account of changes in liquid liabilities to all foreigners. The balance on official reserve transactions takes account of changes in liabilities only to foreign governments and central banks, but includes changes in both liquid and certain nonliquid liabilities.

Influenced by unusual factors

A number of unusual factors influenced our external position in 1969, OBE observed. A reversal of special financial transactions accounted for $3.2 billion of the deterioration in the liquidity balance. Special financial transactions had improved the 1968 balance by switching $2.3 billion of U.S. liabilities from liquid to nonliquid categories. The 1969 reversal of $0.9 billion in such transactions had little basic significance. In addition, roundabout flows of U.S. funds to the high yielding Eurodollar market and then back to the United States through the foreign branches of U.S. banks contributed to enlarging the 1969 liquidity deficit, although such flows do not essentially weaken our liquidity position.

After allowing for such special influences, however, the 1969 liquidity deficit was probably still as large as any earlier deficit. The improvement in the official balance despite the deterioration in the liquidity balance primarily reflected the extreme tightness of U.S. monetary policy. The resulting inflow of foreign private liquid funds—mostly borrowing by U.S. banks through their foreign branches—was so great that it not only financed the increased liquidity deficit but also attracted funds out of foreign central bank reserves.

Fourth quarter developments

The major known factors accounting for the fourth quarter improvement in the liquidity balance were:

A $100 million increase in the nonmilitary merchandise trade surplus as exports rose faster than imports; a $250 million increase in U.S. Government cash receipts associated with military sales contracts, reflecting a sharp increase in prepayments by Germany under the agreement for offsetting the foreign exchange costs of American forces; receipt of $75 million from a 10-year loan by the German Government to the U.S. Government, also under the offset agreement; a $500 million reduction in net U.S. purchases of foreign securities; a $430 million increase in foreign purchases of U.S. securities (excluding Treasury issues and special financial transactions); a $500 million decline in net outflows associated with reversals of special financial transactions.

The largest contribution to the fourth quarter improvement came from a $2.4 billion favorable swing in the residual balance on transactions for which data are not now available. A good part of this probably reflected yearend repatriation of funds by U.S. corporations under the Foreign Direct Investment Program, similar to the flows that occurred in the fourth quarter of 1968. In addition, some of the funds that earlier in the year moved out of the United States into Germany in anticipation of the mark revaluation or were invested in the Eurodollar market may have been repatriated. This will probably result in a favorable movement in the fourth quarter "errors and omissions" term that will be published in the March *Survey of Current Business* after more complete data are available.

The major adverse shift in the fourth quarter was a $550 million reversal of bank reported claims, from a $220 million inflow in the third quarter to a $330 million outflow in the fourth quarter.

The balance on official reserve transactions improved by $2.2 billion in the fourth quarter, some $1.5 billion less than the improvement in the liquidity balance. The difference was largely due to a $1.1 billion decline in the inflow of foreign private liquid funds from $1,135 million in the third quarter to only $38 million in the fourth quarter.

Exchange market developments in the fourth quarter probably contributed to the surplus on the official balance, in addition to favorably affecting the liquidity balance. With U.S. banks reducing liabilities to their foreign branches following the changes in Federal Reserve Board reserve requirement regulations announced in the third quarter, a buildup in dollar holdings of other private foreigners was encouraged by the outflow of funds from Germany.

Financing the balance

U.S. official reserve assets increased $221 million during the fourth quarter. (Figures in this section are not seasonally adjusted.) The rise consisted of an increase of $695 million in official gold holdings; a decline of $1,016 million in U.S. official holdings of convertible foreign currencies reflecting net repayments by foreigners of drawings on mutual swap facilities with the United States; and a $542 million improvement in our gold tranche position at the IMF (essentially, our automatic drawing rights), as foreign countries continued to draw dollars from the IMF.

Liquid liabilities to all foreigners decreased $830 million in the fourth quarter. This decrease plus the $221 million increase in reserve assets equaled the $1,051 million liquidity surplus. Liquid liabilities to foreign commercial banks decreased $135 million. The decline in U.S. banks' liabilities to their foreign branches was largely offset by rises in liabilities to other foreign commercial banks. Liquid liabilities to foreign official agencies decreased $518 million; those to international and regional organizations declined $52 mil-

XUM

Multinational firms' policies surveyed

The experience of international executives of 130 U.S. firms in determining policies and pricing formulas for sales and services to their overseas subsidiaries is described in a new survey report by the National Industrial Conference Board.

Within the United States, the report's introduction explains, transactions between units of the same company are influenced mainly by business and commercial factors. When such transactions take place across national frontiers, however, "a host of environmental factors become as important as—and frequently more important than—business or commercial factors. Variations in customs duties, tax rates, rules of competition, and business practices make it impossible to apply domestic policies on intercorporate relations to relations with controlled units overseas."

To learn how U.S. corporations are meeting this challenge, the Conference Board asked its panel of senior international executives to describe their policies, and 130 companies responded.

Their statements point to a variety of factors that affect formation of company policy. A major one is the U.S. Treasury ruling that intercompany transactions be conducted at "arm's length"—that is, as if between independent companies.

Most firms represented on the panel say they follow a basic principle of "equity" in forging policy. One official explained, "By equity, I mean a reasonable, rational distribution of profits, one that can be easily justified in terms of the interests of the host country."

Of transfer pricing, another executive reported that given a choice, "the bias will be in favor of the pricing formula and mechanics that put the most dollars in the bank in the U.S. in the shortest time."

Many of the panel said that managers should conduct all relations with foreign units with an eye to the "effect on the total corporation." Among the other fundamental considerations mentioned were concern on employee morale and providing an overall financial incentive for the management of the controlled unit.

Most of the participating companies reported constant internal and external pressures: Internally, to push up transfer prices and service charges to foreign affiliates, while buying units abroad want to reduce them further; externally, from tax authorities in the U.S. and customs officials abroad for the company to sell dear, while foreign tax officials urge the local company to buy cheap.

Handling of royalties, fees, and allocations, and adapting basic policies also are discussed in separate sections of the survey.

The report, "Intercompany Transactions in the Multinational Firm," is the sixth in the Conference Board's series on Managing International Business. Price: $1.50 (associate and educational); $5 (non-associate). **Write:** National Industrial Conference Board, 845 Third Avenue, New York 10022.

lion; and those to other foreigners decreased $125 million.

The fourth quarter surplus of $910 million on the official reserve transactions balance consisted of the above-mentioned $518 million decrease in liquid liabilities to official foreigners, a $171 million reduction in certain nonliquid liabilities to official foreigners, and the $221 million increase in U.S. reserve assets.

Special financial transactions

The net impact of special financial transactions in the fourth quarter was negligible: They adversely affected both balances by less than $10 million. This was a considerable improvement from the third quarter when reversal of special financial transactions had adverse effects of $512 million on the liquidity balance and $162 million on the official reserve transactions balance. Major special financial transactions in the fourth quarter included a $212 million reduction in nonliquid time deposits of foreign official agencies which was largely offset by net purchases by Canada of $75 million of nonmarketable, medium-term U.S. Government securities, and by purchases of $134 million of U.S. Government agency bonds by international and regional organizations.

For 1969 as a whole, there was a $1.2 billion reduction in foreign official agency holdings of nonliquid time deposits and nonmarketable, medium-term U.S. Government securities, compared with an increase of $1.9 billion in 1968. The full impact of that shift was eased somewhat by portfolio adjustments by international and regional organizations that resulted in a $450 million increase in their investment in nonliquid time deposits and U.S. agency bonds in 1969 compared with a $180 million increase in 1968. The adverse impact of special financial transactions on the official reserve transactions balance for the year 1969 was only $153 million, an adverse swing of $338 million from 1968.

Merchandise trade

The balance on merchandise trade rose to a seasonally adjusted surplus of $438 million in the fourth quarter from a $337 million surplus in the third. This $100 million improvement reflected a $247 million increase in exports, to a total of $9,827 million, compared with an increase in imports of only $146 million, to $9,389 million. (These figures are on a balance of payments basis which excludes Department of Defense exports and imports and reflects various other adjustments to the trade data reported by the Census Bureau.)

If third quarter exports were adjusted for the continued catch-up of shipments delayed by the dock strike earlier in the year, the fourth quarter export increase would be somewhat larger. The strength in exports was evidently associated with continued demand and capacity pressures abroad. While it is probably still premature to claim that our imports are reacting to the slowdown in the U.S. economy, these developments nevertheless give some hope that the expected improvement in our trade position in 1970 will materialize.

Nonmilitary merchandise exports for the full year 1969, on a preliminary balance of payments basis, totaled $36,484 million, an increase of $2,886 million over 1968. Imports were $35,810 million in 1969, up $2,838 million. With exports and imports advancing by nearly the same amount, the 1969 trade surplus of $674 million was little changed from the 1968 surplus of $626 million. The 1969 surplus would probably have exceeded $1 billion, however, had it not been for the estimated $400 million net adverse impact of the dockworkers' strike. However, the 1968 trade surplus was also reduced by strikes and strike threats in the metals industries, which increased imports.

Most of the fourth quarter export gain was in nonagricultural goods, although agricultural exports showed considerable strength—mainly in corn, soybeans, and

tobacco—and rose nearly 6% above the already high third quarter. This favorable movement in agricultural exports is not expected to be maintained, however, and such exports were already edging downward from month to month within the fourth quarter.

The moderate gain in overall imports—1½%—reflected higher prices combined with spotty quantity increases in foodstuffs and industrial materials.

Bank reported claims

A seasonally adjusted increase of $326 million in bank reported claims was recorded for the fourth quarter, reversing a $217 million decrease in the third quarter. About half of the fourth quarter outflow was due to a rise in collections and acceptances, with large increases also registered in short-term loans, certificates of deposit and money market paper. Short-term claims on Canada and Japan rose particularly sharply, but a part of this shift was evidently seasonal. Long-term claims declined only $34 million in the fourth quarter, compared with a $130 million drop in the third quarter.

While there was an increase in claims subject to the Foreign Credit Restraint Program, preliminary data indicate that more than half of the bank reported fourth quarter outflow was in categories not covered by the Program. For 1969 as a whole, in fact, claims covered by the Program (and included in the bank reported flows discussed here) showed practically no change, although total bank reported claims showed an outflow of $528 million compared with an inflow of $269 million in 1968. Claims not covered by the Program include items held in custody for customers, loans to finance U.S. exports guaranteed or participated in by various U.S. Government agencies, claims on foreigners of branches and agencies of foreign banks located in the United States, and increases in claims of U.S. banks on residents of Canada.

Outflows of U.S. private funds for investment in foreign securities were only $66 million, seasonally adjusted, in the fourth quarter of 1969, down from $562 million in the third. A fall in foreign new issues placed in the United States, particularly by Canadians and to a lesser extent by the World Bank, accounted for half of the decline in net purchases. Net purchases of outstanding foreign stocks and bonds in the third quarter shifted to net sales in the fourth quarter. Redemptions of U.S.-held outstanding foreign dollar bonds also increased significantly in the fourth quarter. Extremely high long-term bond rates in the United States probably contributed to the low level of outflows in the fourth quarter.

Year's outflow up slightly

For the year as a whole, however, the outflow of U.S. funds for portfolio investment abroad was $1,379 million, about $110 million higher than in 1968. Although purchases of new issues were slightly lower than in 1968, redemptions were down slightly and other transactions in foreign securities resulted in a larger outflow than in 1968.

Net foreign purchases of U.S. securities (other than Treasury issues) increased to $886 million in the fourth quarter of 1969, a $507 million gain over the third quarter. About half of the swing reflected increased net foreign purchases of U.S. stocks, which amounted to $424 million in the fourth quarter. About $300 million of these purchases occurred in October, prior to the decline in U.S. stock prices that developed later in the quarter. Some part of the reflux of funds out of Germany may have been invested in U.S. stocks. Net purchases fell in November and in December the net inflow was minimal. Total net foreign purchases of U.S. equities in 1969 were about $1.5 billion, down $0.6 billion from the record level of nearly $2.1 billion in 1968.

Net foreign purchases of U.S. bonds (excluding special financial transactions) rose $178 million to $328 million in the fourth quarter. Foreign investments in new U.S. corporate issues in the Eurodollar market increased only $34 million to $250 million. Transactions in other U.S. bonds, however, shifted favorably by $144 million, from $66 million of sales in the third quarter to $78 million of purchases by foreigners in the fourth quarter.

Investments by international and regional organizations in U.S. agency bonds also increased $74 million in the fourth quarter to $134 million as discussed under special financial transactions.

Complete data available

Complete balance of payments data for the fourth quarter and further analysis will be published in the March issue of *Survey of Current Business*, the monthly publication of the Office of Business Economics.

The *Survey* is available from Field Offices of the Department of Commerce, or from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, at an annual subscription price of $9, including weekly supplements; single copy, $1.

Trade figures adjusted for payments calculations

Official data on the balance of payments and on merchandise exports and imports are produced in the Commerce Department—payments figures by the Office of Business Economics (OBE) and trade figures by the Census Bureau.

OBE adjusts the Census trade data to conform to balance-of-payments concepts, mainly by excluding Department of Defense foreign sales and purchases, which are reflected in other sectors of the balance of payments. It also includes trade in nonmonetary gold, and trade of the Virgin Islands with foreign countries, which are not in the Census foreign trade data.

In addition, OBE makes adjustments for inland freight on shipments to Canada and for transaction values on imports of cars from Canada.

Thus, trade figures reported in this story differ to some extent from those in the Bureau of Int'l Commerce analysis of U.S. foreign trade, pages 2-6. For example, the 1969 trade balance reported by OBE—adjusted for balance-of-payments calculations—is $674 million. The figure used by BIC in its analysis beginning on page 2 is $1,262.

Conference on doing business in U.S., Israel set for March

A three-day conference on the legal aspects of doing business in the United States and Israel is scheduled to be held Mar. 30-31 and Apr. 1 in Tel-Aviv. The conference will be sponsored jointly by the Section of International and Comparative Law of the American Bar Association, and the Central Committee of the Israel Bar Association.

The conference is to present an intensive analysis of some of the most pressing developments in the law relating to doing business in the United States and Israel.

Information on how to export to, sell in, or manufacture within the United States and Israel will be presented during the meetings.

XUM

International measures to protect investments in developing nations attracting increased attention

Several agencies, started and proposed, reflect growing stress on need to ease international flow of private investment capital

By EDWARD M. ZIMMERMANN
International Finance Division, BIC

Secretary of Commerce Maurice H. Stans noted recently that "investment capital enjoys a free marketplace in the world. It is attracted by the legitimate profit incentive. It will go where there are prospects for a fair return without undue risk. It will flee from conditions which threaten its freedom and security." He stated that "If a nation is to attract private capital and enjoy the benefits that it offers, conditions must be favorable for its long-term investment. It is to every nation's benefit to create these conditions."

Secretary Stans then referred to the Convention on the Settlement of Investment Disputes, which provides machinery for conciliation and arbitration of such disputes. He expressed the hope that "this and similar efforts will lead to a growing body of international law which will assist international investors in learning and enforcing the rules of the game."

Needs grow

During the past decade, increasing attention has been given to the need for facilitating international flows of private investment capital, particularly from the developed to the developing countries. Although total private financial flows from major industrialized countries to developing areas almost doubled between 1960 and 1968, the growth of foreign investment funds has been relatively slow and fitful. Recurring political disruptions and conflicting views on the proprieties of international investment have led to growing uncertainty on the part of investors.

Consequently, several attempts have been made, on a multilateral basis, to minimize the risks inherent in investment in the less developed world, in the hope of inducing an increased flow of resources to those countries desiring to attract private capital.

Investment dispute convention

In recognition of the needs of developing countries for large amounts of private capital from developed countries, the International Bank for Reconstruction and Development (World Bank) began in 1961 to study the possibility of establishing a permanent facility to deal with disputes, and thereby promote an atmosphere which would be conducive to greater investment flows. By 1965, the executive directors and staff of the World Bank, with the assistance of legal experts from many member countries, had prepared the Convention on the Settlement of Investment Disputes between States and Nationals of Other States. On Oct. 14, 1966 the Convention entered into force for the first 20 nations, including the United States, which had signed and ratified it; by the end of January this year, 63 countries had signed and 54 had ratified the Convention, all of which, except Switzerland, are members of the World Bank. No Latin American or Near Eastern countries have signed the Convention.

The purpose of the Convention is to encourage the growth of private foreign investment for economic development. It does so by creating the possibility, subject to the consent of both parties, for a contracting state and a foreign investor who is a national of another contracting state to settle any legal dispute that might arise out of an investment by conciliation and/or arbitration before an impartial, international forum. The International Centre for Settlement of Investment Disputes (ICSID) was created under the Convention as the instrument for carrying out these provisions. Its seat is at the World Bank headquarters in Washington.

Centre's leadership

The Centre is governed by an Administrative Council composed of one representative from each contracting state, each of whom has equal voting power. The President of the World Bank acts as the non-voting chairman. The principal officer and legal representative is the ICSID Secretary-General, currently Aron Broches of the Netherlands, who is also the General Counsel of the World Bank.

Consent to the jurisdiction of the Centre can be given in connection with a new investment agreement, an existing agreement whose disputes provisions are no longer considered satisfactory by the parties, or any legal dispute which has already arisen, whether or not under an agreement. Once consent is given by both parties, it cannot be unilaterally withdrawn by either party.

Either or both parties may then file a request for conciliation or arbitration. A Conciliation Commission or an Arbitral Tribunal is then constituted. Conciliation Commissions seek to clarify issues in a dispute and bring about agreement between parties on mutually acceptable terms. Affected parties are required to cooperate with the commission and give serious consideration to its recommendations but are not bound to accept them. Arbitral Tribunals are required to render an award, which is binding on both parties.

The Centre maintains separate panels of conciliators and arbitrators. Most members are designated by the contracting states (each of whom may place four persons on each panel list) and by the chairman of the Administrative Council (who may place ten persons on each list). The Convention requires members of the panels to be persons of high moral character

Nations adhering to investment dispute pact

The Convention on the Settlement of Investment Disputes between States and Nationals of Other States has been ratified by: Afghanistan, Botswana, Burundi, Cameroon, Central African Republic, Ceylon, Chad, China, Congo (Brazzaville), Cyprus, Dahomey, Denmark, Finland, France, Gabon, Germany, Ghana, Greece, Guinea.

Also Guyana, Iceland, Indonesia, Ivory Coast, Jamaica, Japan, Kenya, Korea, Lesotho, Malagasy Republic, Malawi, Malaysia, Mauritania, Mauritius, Morocco, Nepal.

Also Netherlands, Niger, Nigeria, Norway, Pakistan, Senegal, Sierra Leone, Singapore, Somalia, Sweden, Switzerland, Togo, Trinidad & Tobago, Tunisia, Uganda, United Kingdom, United States, Upper Volta and Yugoslavia.

Net flow of private financing to developing nations, 1960-68[a]

(Millions of U.S. $)

	1960	1961	1962	1963	1964	1965	1966	1967	1968
Direct investment	$1,762	$1,825	$1,467	$1,631	$1,791	$2,509	$2,197	$2,023	$2,761
Portfolio[b]	850	703	453	247	550	918	460	1,115	1,412
Export credits[c]	537	569	472	660	860	750	1,200	1,088	1,789
Total	**$3,148**	**$3,097**	**$2,492**	**$2,538**	**$3,201**	**$4,177**	**$3,867**	**$4,225**	**$5,962**

[a] From Australia, Austria, Belgium, Canada, Denmark, France, Germany, Italy, Japan, Netherlands, Norway, Portugal, Sweden, Switzerland, United Kingdom, and the United States.

[b] Bilateral and multilateral portfolio investment.

[c] Excludes credits not guaranteed by creditor country.

Source: Development Assistance Committee of the OECD. Figures may not add due to rounding.

with recognized competence in the fields of law, commerce, industry or finance who may be relied upon to exercise independent judgment. Legal competence is specified as particularly important for arbitrators. Parties to proceedings under the Convention may, but need not, choose the members of their conciliation commissions or arbitral tribunals from these panels.

In response to various requests for means of assuring its jurisdiction over possible international investment disputes, the Centre has issued model clauses designed for inclusion in bilateral investment contracts and in bilateral treaties designed to stimulate foreign investment. The Centre presently is formulating special consent clauses for inclusion in multiple-party investment contracts and is developing a set of model legislative provisions for inclusion by governments in national legislation, either specifically in relation to the Centre or as part of general investment promotion laws. Although no requests for conciliation or arbitration have as yet been addressed to the Centre, an increasing number of investment agreements and national legislation have included provisions for the submission of future disputes to its jurisdiction.

Objectives emphasized

At the third annual meeting of the ICSID Council last fall, World Bank President Robert McNamara pointed out that the Convention and the Centre were not designed solely for the litigation of disputes, but also to serve as firm points of support on which governments and private persons could base any dispute settlement procedure and thereby secure the entire agreement relating to an investment. McNamara felt that agreement by both parties to be bound irrevocably to settle any intransigent differences through the center, might induce them first to attempt direct and amicable negotiations.

Investment insurance

Another approach to stimulating greater flows of foreign investment to developing countries is the provision of insurance against risks. Although some major countries, including the United States, have or are establishing bilateral insurance or guarantee arrangements, consideration has also been given to the desirability of multilateralized investment insurance. Some proponents of this approach believe that diversification of risks and sharing of costs might encourage multinational investment ventures and minimize the political difficulties which occasionally arise in bilateral relationships.

Consideration of multilateral investment insurance was initiated by the Organization for Economic Cooperation and Development (OECD), which in 1961 requested the World Bank to study possible insurance systems to encourage investment and counteract a then-declining flow of private capital to developing countries. After a preliminary report by the World Bank in 1962, the OECD drafted a multilateral investment guarantee proposal in 1965. The World Bank then was asked by the OECD and United Nations to study the feasibility of establishing an agency to operate a multilateral insurance scheme. During the next several years the Bank devised a set of draft articles of agreement for an International Investment Insurance Agency (IIIA).

Under the present draft, which is subject to further review and change, the IIIA would provide insurance only against political risks of expropriation, convertibility, armed conflict and the like, and only on investments in member developing countries. Approval by the host government would be required. Insurance would be limited to new investments contributing to economic development, investments to refinance or acquire an existing agency-insured investment, investments in securities representing investments originally made by public development financing institutions, and reinsurance of investments.

Insurance would have to be sponsored by a member country, which would bear 25% of any loss, the remaining 75% to be shared by all countries in proportion to the amounts of insurance they sponsored. Members would accept a commitment to submit disputes involving insured investments to binding arbitration. The scheme would be effective when at least ten developing and five developed countries had accepted membership.

A number of governments, including the United States, have expressed reservations about the draft articles and further discussions within the World Bank are expected to result in revisions of the proposal.

Protection of foreign property

The OECD has also considered the problem of facilitating private investment in developing countries from a broader approach aimed at international agreement on the treatment of foreign property. Several years ago, a convention was drafted for intergovernmental consideration which provides rules for applying recognized principles relating to the protection of foreign property. The draft covers conduct regarding the fair and equitable treatment of property, specific considerations under which the property of aliens may be transferred, and rules relating to compensation. It also provides

machinery for compulsory arbitration in cases of dispute.

The draft convention would, in effect, involve obligations tantamount to international law. Perhaps for that reason, the convention has not been widely endorsed. In 1967, the OECD Council adopted a resolution reaffirming adherence of its member states to the principles of international law embodied in the draft convention and commending it as a basis for their further application of those principles.

Pearson Report recommendations

The recent report of the Commission on International Development, under the direction of former Canadian Prime Minister Lester B. Pearson, gave added encouragement to the development of a multilateral investment insurance scheme. The report recognized that bilateral programs "such as the extended risk scheme operated by the United States, are especially useful in permitting corporations to gear-up their equity investments by tapping fixed interest funds from institutional investors in developed countries." However, the report claimed that "a soundly-based multi-lateral system could: (a) permit insurance of investments made by companies based in countries not now operating bilateral systems, ... ; (b) permit insurance of multinational projects; (c) permit small bilateral insurance programs to reinsure large risks; and (d) involve both developed and developing countries in the insurance risks." The report suggested that "It might even be appropriate eventually to link the scheme to the Convention on the Settlement of Investment Disputes, but providing for higher coverage and/or lower premiums for insuring investments in countries which accede to it, or to provide for recourse to equivalent regional arbitration facilities."

More suggestions

The report further recommended that "serious consideration should also be given to concluding bilateral agreements on the treatment of foreign investors of the sort already concluded with some developing countries by the Federal Republic of Germany, Switzerland, and other donor nations. This might eventually lead to a network of such agreements such as has been suggested by the Council of the OECD."

In sum, efforts to devise agreements which would help facilitate foreign investment flows to developing areas have met with only moderate success, the most notable accomplishment being the International Centre. However, as the importance of private investment for economic development gains greater recognition, increased attention is being given to the problem of providing an attractive and stable investment climate in developing countries.

Further study and effort in this field, against the background of burgeoning multinational business and finance, might eventually lead to advances in international investment cooperation which could have a highly salutary effect on the pace and direction of economic progress in the less-developed countries of the world.

U.S.-Spanish Joint Economic Committee views trade issues

Washington meeting examines investment restrictions, other problems; relation to Common Market discussed

Questions of trade in industrial and agricultural products, investment restrictions and balance of payments problems were discussed in Washington this month by the U.S.-Spanish Joint Economic Committee.

The U.S. Delegation, chaired by Assistant Secretary of State for Economic Affairs Philip H. Trezise, included members from six Federal departments or offices. The Commerce Department delegates were the Assistant Secretary for Domestic and International Business K. N. Davis, Jr., Deputy Assistant Secretary for International Trade Policy Lawrence A. Fox and Deputy Assistant Secretary for Resources Stanley Nehmer.

The 10-man Spanish Delegation was chaired by Armijo Gallardo, President of the Superior Council of Foreign Affairs.

The Joint Committee was created in July, 1968. It had its origin in a U.S.-Spanish joint declaration of 1963 that called for regular consultations on matters of mutual interest, including the encouragement of economic growth and the expansion of trade.

The communique issued at the end of the Feb. 2-4 meeting included the following passages:

"The Spanish Delegation explained Spain's interest in being considered a beneficiary country for purpose of the generalized preference scheme, currently being discussed in the Organization for Economic Cooperation and Development. The United States took note of this desire and explained the criteria under which it is seeking to negotiate a common scheme with other developed countries in the OECD.

"The Spanish Delegation explained the intentions of the Spanish Government with respect to an agreement with the European Community. A preliminary exchange of views was held and the two sides agreed to contact each other further on this subject.

"The application of the U.S. Foreign Direct Investment Program to Spain was discussed. The United States side agreed that special attention would be given to applications for new or additional U.S. investments in Spain during the course of the year. In addition, agreement was reached that technical consultations would be held within two months to deal with problems of American investment in Spain resulting from the Program.

"Likewise, there was an examination of

Data service dropped

The Business and Defense Service Administration (BDSA) has announced that the Export/Import Summaries service provided by BDSA through the Clearinghouse for Federal Scientific and Technical Information was discontinued with the transmittal of the December 1969 reports. This step was taken because the relatively small demand did not justify the substantial cost of maintaining the service. Subscribers are to be reimbursed for the unexpired portion of their subscriptions.

Persons still interested in receiving the type of data available for specific groups of products in the Export/Import Summary series, may get an official estimate of the cost of providing the information by contacting David N. Cohen, Director, Statistical Operations and Analysis Staff, BDSA, Washington, D.C. 20230.

the development of the principal products carried in the trade between the two countries, and it was agreed—inter alia—to initiate in the near future negotiations to conclude a new agreement on cotton textiles.

"The two delegations agreed on the advisability of reviewing the Air Transport Agreement signed by the two countries in 1944, and decided to initiate negotiations for that purpose in the near future."

Miss. Valley traders set 25th conference with revised format

Four sponsoring organizations will divide program planning

The Mississippi Valley World Trade Council will adopt a new format for its 25th conference Apr. 19-21 at the Roosevelt Hotel in New Orleans.

The conference will direct its attention to new trends in Valley trade for the 1970's. Export-import and transportation executives from all over the country are expected to attend.

Share programming

Four New Orleans trade-related groups —International House, International Trade Mart, the New Orleans Board of Trade, Ltd. and the Chamber of Commerce of the New Orleans Area—are for the first time presenting the four conference meeting sessions, in cooperation with the Council. In the past, the Council itself developed the entire program. This new format aims to bring diversified interests into the meeting's affairs, according to Eldon J. Gilly, who is president of the Council.

"Trade Patterns in Our Hemisphere" will be the topic of the opening panel discussion, presented by International House.

A panel organized by the New Orleans Board of Trade, Ltd. will discuss "LASH and Seabee Shipping—New Economics in Ocean Shipping."

The third session, titled "Import Impacts," will be presented by the International Trade Mart.

The final session will cover "CENTROPORT U.S.A.—Its Thrust and Importance to the Entire Mississippi Valley" and will be presented by the New Orleans Chamber of Commerce.

Multi-mission to promote trade in Brazil, Venezuela next month

Multiple group is second to be sponsored by Pan Am on an inaugural flight; five organizations cooperating

Another multiple-trade-mission group, the third to be approved by the Commerce Department, will be taking off soon—for Brazil and Venezuela.

The new multimission is being sponsored by Pan American World Airways. As with an inaugural flight to the Pacific area two years ago, Pan Am again has offered a number of round trip seats—on an inaugural flight next month—for utilization by trade missions comprised of U.S. businessmen. Five organizations are working with Pan Am on the missions:

Food Processing Machinery and Supplies Association, Packaging Machinery Manufacturers Institute, Scientific Apparatus Makers Association, State of Michigan, and Florida Regional Expansion Council.

Product categories to be highlighted are equipment and machinery for materials handling and metalworking, printing and graphic arts, food processing, packaging, electronic data processing; and instrumentation and controls.

The Miami-Sao Paulo leg of the trip—the inaugural portion—is scheduled for March 11-12. The mission also will visit Rio de Janeiro March 18-22, and terminate in Caracas March 25. A Commerce advance team is arranging individual business appointments. Participants will be responsible for their own hotel and living expenses, and will contribute $200 each to mission expenses, such as brochures, press relations, clerical assistance, and offices.

Pan Am's first multi trade mission went to Australia in the spring of 1968. During the business tour, and in the 12 months following, sales totaling $5,141,000 were reported. Thirty-one agents were named.

In the fall of 1969, a TWA MarketAir mission comprised of several separate groups, went to the Far East. Immediate and 12-month sales were estimated at more than $4 million. Eighteen agents were appointed during the mission's visit.

Both electronic data processing and food processing and packaging equipment are considered to be among U.S. product lines with the highest export potential and have been selected by Commerce for extensive market research covering 25 to 35 countries during this year.

A publication on industrial and scientific instrumentation in Brazil is now available in the *World Markets for U.S. Exports* series of the Department's International Marketing Information Service. The order number is IMIS 69-102; the price, 10 cents. **Write:** Sales and Distribution, U.S. Department of Commerce, Washington, D.C. 20230.

Edward Simmons to direct Tokyo U.S. Trade Center

Edward S. Simmons has been appointed Director of the U.S. Trade Center in Tokyo. He has served in the U.S. Department of Commerce's Bureau of International Commerce for the past eight years. His last position was as Exhibit Manager in the Office of International Trade Promotion.

SIMMONS

In his work with the Commerce Department Simmons was involved in the Paris Air Shows of 1967 and 1969. In the former year he was in charge of all market promotion and publicity concerning the U.S. participation in the Show, and in 1969 he served as Market Development Officer for France and Switzerland.

Prior to his serving with the Commerce Department, Simmons, who is from Somerset, Mass., was employed as a Field Administrator for the Aetna Casualty & Surety Co. and then as an International Marketing Supervisor for the Quaker Oats Co. He has a 1959 degree in Business Administration from Boston University.

Simmons succeeds Richard Garnitz, now Trade Center Director and Commercial Attache at the U.S. Embassy in Stockholm. Robert J. Blake, Interim Director since Garnitz' departure, will continue to serve as Deputy Director.

XUM

Fall packaging fairs set

U.S. shows at Tokyo-Pack '70, Emballage '70 planned; packaging machinery firms may enter

American packaging equipment manufacturers will have an opportunity this fall to enter two international packaging exhibitions in two areas of the world through Department of Commerce-sponsored commercial exhibitions.

Tokyo-Pack '70 will be staged Sept. 22-28 and Emballage '70 is scheduled Nov. 9-15 in Paris. Details about the U.S. shows which are a part of them, and market information, follow:

Tokyo-Pack '70

Manpower shortages, increased labor costs, westernization of Japanese living habits and consumer demands for sanitary packaging are providing a good market for U.S.-made packaging machines and equipment.

Assisting U.S. firms in the Far Eastern market will be Tokyo-Pack '70, the largest exhibition of its kind in the Orient. The Sept. 22-28 show could help increase the current U.S. share of an import market for packaging machinery which is increasing at 20% per year.

The Japanese economy, which has continued upward for more than 50 consecutive months, is expecting a growth of 12-13% in real terms during the 1970 fiscal year which begins in April, and is estimated at more than $205 billion. The gross national product in fiscal 1969 is expected to reach $173-$174 billion, which indicates a real growth rate of 13%.

Sales of packaging machines in Japan have increased fourfold in the past seven years. This is attributed primarily to the expanding food industry which accounts for 53% of the total demand in 1968. In addition to the food industry, other major users are the chemical industry including both pharmaceutical and cosmetic companies, textile firms, and the machinery industry.

With the increased Japanese production boosted by an expanding economy, demands for automation in related fields such as measuring, weighing and labeling have increased.

The U.S. ranks first among exporters of packaging machinery to Japan, and in 1968, supplied about 30% of the total $8.7 million import market for such equipment. Another factor aiding U.S. suppliers is the need for large volume, high-speed machines.

Products identified by Commerce market research as having a high sales potential are:

Filling, casing, and form-fill-seal equipment, fine-powder filling and shrink-wrap packaging, thermo-forming machinery and equipment, cartonizing machines, measuring, vacuum packing, string and banding, tuber filling, and bottling equipment, aerosol machines, butter packagers.

In 1969, at a Tokyo U.S. Trade Center packaging machinery and equipment exhibition, 31 firms wrote $435,106 in show orders and projected $3.8 million in first year sales. The show was attended by 4,459 visitors.

For additional information on Tokyo-Pack '70, contact William E. Dawson, U.S. Department of Commerce, (BIC-936), Washington, D.C. 20230 (202-967-2795), or any of the 42 Commerce Department Field Offices.

Emballage '70

As France continues to modernize its packaging industry, new sales opportunities for American manufacturers and suppliers open. Increased prosperity, the continuing trend toward modern merchandizing and the expansion of self-service stores are creating a need for better, more attractive consumer packaging.

Because the French packaging industry is not able to meet consumer packaging needs, at least 75% of its machinery is imported. The U.S. had a 10% portion of a $24 million market. The total French market for this equipment is expanding at a rate of 10% annually.

To boost the U.S. share, the U.S. Department of Commerce will stage a commercial exhibition in Emballage '70, the biennial International Packaging Exhibition, Nov. 9-15, at the Parc de Expositions in Paris.

The $24 million of imported packaging machinery in 1968 reflects a rise of 50% in the last four years. France is also a lucrative market for paper and specialized packaging materials. Paper imports in 1968 amounted to almost one-million metric tons, or about one-fourth of the total French consumption. Markets for high quality films and laminates also exist.

Emballage '70, will be held simultaneously with six other interational trade fairs at the same exposition grounds: International Food Products, Equipment for the Food Industries, Meat Industry Equipment, Dairy Equipment, Beverage Bottling Equipment, and Brewery Equipment. Each of these will aid in attracting European buyers to U.S. displays.

Also boosting the French market for packaging machinery and equipment is the integration of Common Market members' economies. This allows France to export more food products to her EEC partners.

U.S. goods identified by Commerce market research as potentially salable are: filling machines; counting, proportioning and measuring devices; shrink wrappers; thermoform equipment and supplies; form fill and seal equipment; labelers; vacuum packagers; box makers; heat sealers.

Trends away from glass containers and the adaption of plastic are also spurring demands for new packaging equipment.

At the 17th International Emballage in 1966, Commerce sponsored a similar and successful exhibition. Thirty-five U.S. firms wrote $435,000 in show orders and reported actual first year sales of $2.3 million. A total of 23 agents and distributors had been appointed.

For facts on Emballage '70, contact John Wolf, U.S. Department of Commerce, (BIC-946), Washington, D.C. 20230 (202-967-3822), or any Commerce Field Office.

Both exhibitions will be preceded by a market development campaign to attract top-quality buyers, importers, agents and manufacturing licensees.

In addition to these two events, Commerce will sponsor U.S. exhibitions of packaging machinery and equipment in Madrid, Mar. 2-7; Tehran, May 16-21; London, June 22-26; and Copenhagen, Nov. 17-22. The London show will be part of an international packaging fair, PAKEX, and the other three will be integrated into U.S. solo exhibitions.

Shipbuilding items featured in June show in Frankfurt U.S. Trade Center

Rapid containerization drive spurs need for new equipment; items that improve operating safety and efficiency stir top interest

Shipbuilders in the Federal Republic of Germany are seeking new types of shipbuilding and marine equipment to maintain and improve their competitive position in the world marketplace. They are particularly interested in equipment that will increase operating safety and efficiency, improve onboard cargo handling capabilities, and automate ship construction.

To assist U.S. firms in selling in the German market, the U.S. Department of Commerce will sponsor an exhibition of marine and shipbuilding equipment June 8-12 at the U.S. Trade Center in Frankfurt.

Size of industry

Germany's shipbuilding industry currently ranks third, after Japan and Sweden, in delivery of new merchant ships of 1000 gross tons and over.

In 1968, German shipyards delivered 89 seagoing vessels, totaling 1.3 million gross tons, or 8% of the world's gross tonnage of new merchant ships. Under construction or on order were 198 ships weighing about 6.5 million tons.

As the drive toward containerization intensifies, the building of containerships is becoming important in the German maritime industry, particularly at Hamburg and Bremen. According to *Lloyd's Register of Shipping*, 60 of the 199 containerships under construction throughout the world at the end of June 1969 were being built in Germany.

Sales prospects

The German government subsidizes construction of vessels for sale abroad. The 1970-71 building promotion program includes a $24.5 million subsidy.

Market research by the Bureau of International Commerce, which will stage the Frankfurt exhibition, indicates a strong demand for television systems for surveillance of engine rooms, as well as radio and fire alarm systems for safety and comfort.

The fastest growing demand is expected to be for electronic testing equipment and computers and equipment for the 16-hour unattended operations system.

Automatic turnover cranes, loading equipment, and faster materials handling equipment will be necessary to handle the increase in containership traffic.

Products which are considered to have the highest sales potential are:

Navigation and communication equipment—omega navigation receiver systems, scanning sonar systems, radio navigational apparatus, sonar docking systems, precision depth sound systems, and radar systems.

Instrumentation—wave indicators and recorders, liquid level gages, pressure gages, tide indicators and recorders, automatic log equipment, flow controls and heat exchanger controls.

Electronic equipment—testing equipment, electronic computers and data processing equipment, digital zip mode plotters, and industrial X-ray equipment.

Shipboard equipment—desalination equipment, air conditioning and ventilating equipment, waste disposal systems, galley equipment, marine pumps and valves, and dehumidifier systems.

Materials handling equipment—loading and unloading equipment, hoisting and lifting apparatus, power winches, gantry cranes, roller conveyers, automatic turnover, and container handling equipment.

Metal fabrication equipment and tools—numerically controlled milling and drilling machines, arc welding equipment, rivet machines, pneumatic air hammers, hydraulic sheaving equipment, edge planers, and universal grinding machines.

An intensive market development campaign prior to the exhibition to assure maximum attendance of prospective buyers, representatives, and licensees will be conducted by Commerce.

At a similar show of U.S. shipyard and marine equipment in June 1968 at the Tokyo Trade Center, there were 38 U.S. exhibitors, including 12 that were new to the market. They reported $82,000 in floor orders and $2.5 million in first-year sales.

U.S. manufacturers of marine and shipbuilding equipment interested in the June 8-12 show at the Frankfurt Trade Center may obtain further information and an Exhibitors Export Market Guide, IMIS 70-1, from the U.S. Department of Commerce (BIC-938), Washington, D.C. 20230 (202-967-3088), or from any Commerce Field Office.

Eximbank to aid sales at Madrid

To help promote the sale of U.S. goods and services at the Department of Commerce-sponsored U.S. Exhibition to be held in Madrid from March 2 to 7, the Export-Import Bank has authorized a $5 million relending credit in favor of five private Spanish banks. Items of U.S. manufacture on display during the exhibit will include food processing, refrigeration and air-conditioning equipment.

The borrowers under the line of credit are Banco Espanol de Credito, Banco Hispano Americano, Banco Atlantico, Banco de Vizcaya, and Banco Urquijo, who will each receive an initial allocation of $500,000. The balance of the credit, $2.5 million will be available to the banks on a first-come, first-served basis.

The banks will relend the proceeds of the credit to small and medium-sized private Spanish and Portuguese enterprises to finance 90% of the contract price of their purchases of individual items of the aforementioned types of U.S. equipment on display at the Exhibition. The remaining 10% will be paid in cash.

The credit will be repaid in ten semiannual installments beginning in March 1971, with an annual interest rate of 6% on outstanding balances.

George J. Dietz, Vice President for Project Development, Edward J. O'Connor, Development Officer for Relending, and Mahlon B. Beal, Chief, Exporter Credits and Guarantees Division, all of Eximbank, will be on hand during the Exhibition to discuss credit and financing arrangements for specific transactions. Reginald J. Denton, Senior Vice President of the Foreign Credit Insurance Association, will also be available to confer on financing arrangements.

Previously, Eximbank had opened special lines of credit for sales at Commerce Department-organized exhibitions of agricultural machinery at Novi Sad, Yugoslavia, in May 1969, furniture manufacturing equipment at Bangkok, Thailand, in August 1969, and advanced machine tools at Mexico City in September 1969.

Turkey in record upswing

Despite another bad crop year, GNP grew an estimated 7% in 1969, right on Plan target

By NORMAN W. GETSINGER
Commercial Attache,
U.S. Embassy, Ankara

The decade just past was the longest period of sustained and rapid economic growth in Turkey's history. Even in 1969, despite a rather disappointing showing in the predominant agricultural sector and signs of strain elsewhere in the economy, the gross national product is officially estimated to have increased 7%, just on the target established in the Second Five-Year Plan (1968-1972).

Turkey's rate of growth thus compares favorably with that of most other developing nations. Moreover, by adhering generally to the levels of investment prescribed in the plan, and barring an unexpected increase in inflationary pressures, Turkish leaders expect the economy to meet the plan target for 1970, third year of the current Five-Year Development Plan.

As the result of the second bad crop year in a row, 1969 growth of agricultural output is estimated at only 0.8% as against the plan target of 4%. Turkey is still basically an agricultural country: the agricultural sector is the biggest employer, provides almost a third of the national product, and contributes some 80% of exports.

Weather held down output

In future years, improvement in sectoral management, including better agricultural methods, wider credit, and a better balance of crops is expected eventually to diminish the effect of unfavorable weather. In 1969, however, bad weather held down yields of some important export crops and cut into production of the vital wheat crop. The latter occurred despite a much wider use of improved wheat varieties previously introduced with U.S. assistance, and the balance of evidence indicates that their use helped prevent a greater loss. Turkey will have to import 850,000 tons of wheat in the 1969-70 period. Most of this will come from the United States under Public Law 480 sales.

According to government sources, the slow growth in agriculture was counterbalanced by continued swift growth in industrial production, estimated at 12% in 1969. At the same time, it is increasingly recognized that the rapidly expanding, high cost, protected industry must undergo major adjustment if it is to be competitive as Turkey moves toward eventual membership in the European Community, and the goal of export expansion will have to replace import substitution. At present much of the new industry is still devoted to import saving assembly, rather than basic manufacture, and many firms are consequently dependent on high cost imports.

Some strains and misallocations

Rapid and unbalanced sectoral growth has resulted in strains and some misallocation of resources. Limited domestic steel production, plus limited imports of pig iron relative to growing demand, for example, gave rise in 1969 to a situation which encouraged parallel market operations, with no easy solution in sight. A developing shortage of electric power, compounded by delays in the completion of major foreign assistance-supported hydroelectric projects, may well require emergency measures if energy adequate to assure continuing industrial growth is to be provided.

Turkey has a mixed economy. Not only are most public utilities, transportation and communications in the hands of the state, but about half of industrial production is accounted for by state-owned economic enterprises. Yet the re-emergence of a strong private sector has been one of the economic phenomena of recent years.

Most businessmen are bullish

As 1970 began, most private businessmen remained bullish about the general outlook. Faced with a chronic shortage of short-term credit, limited import privileges and other difficulties associated with operating in a controlled economy with a large public sector, they seemed nonetheless adjusted to their situation and determined to move ahead.

During the past year the business community several times reacted to rumors of imminent devaluation. As the new year began, there was no indication as to whether, or at what point, devaluation would come. This has clouded business prospects and heightened speculative activity. It has contributed to rising prices, which, according to the wholesale index, increased 6% in 1969.

Turkey's central economic problem for the 1970's rests in the need for increased foreign exchange earnings to match the growing cost of the imports required for development. The OECD Consortium which has helped underwrite Turkey's development since 1958 with substantial programs of import and project assistance can be expected to provide proportionately less in the future towards closing the balance of payments gap left by the trade imbalance. Turkish acceptance of large Soviet project credits only marginally influences the outcome.

Other sources are listed

Other sources, which fortunately exist, must therefore be developed and expanded:

► Turkish workers' remittances, mostly from Germany, have provided a welcome credit on the balance of payments, rising from virtually nothing in 1964 to a high of $140 million in 1969. The Government is planning further measures to increase this amount.

► Tourism, probably Turkey's richest underdeveloped resource, still balanced out slightly in the negative in 1969, but could readily develop an earnings potential which has yet barely been scratched.

► Export of fresh produce demonstrated strong earnings potential last year with the acquisition of a fleet of refrigerated trucks and better organization of production and marketing.

► The food processing industry as a source of export earnings is a longer term possibility. So is any real development of the earning capacity of Turkey's substantial forests and mineral deposits.

Exploitation of the rich potential will require the creation of an appropriate domestic investment climate and considerable outside help. The World Bank and European lending institutions as well as other aid donors will continue to help, but foreign private investment and tech-

nology is needed in substantial quantities. The rather low rate of actual private foreign investment arrivals is perhaps symptomatic of the shortfall in realization so far of the development potential.

Planned development in 1970

The Justice Party's October election victory returned the Demirel Government to power for another four years and thus provided for continuity in the management of development. The Government is pledged to a program that avoids extremes, maintains the long-established Turkish concept of a mixed economy, but emphasizes the desirability of a strong dynamic private sector.

As of the date of this report the shape and substance of 1970's economic development has not yet been precisely defined, but the Justice Party Manifesto and the Government's Annual Program provide the general outline of what can be expected. The former discusses structural improvement; the latter money, projects and imports. Both show a determination to overcome shortcomings revealed in the first development decade.

The Manifesto pledges the Government to seek tax reform and modernization, reorganization of the ministries and the state economic enterprises for greater efficiency, realignment of the functions of the Central Bank, reinforcement of the Industrial Development Bank, creation of an Export Credit Bank, the overhauling of customs legislation, establishment of a capital market, and widened agrarian reform. In January the Government was pressing for new legislation designed to return to it the degree of flexibility in economic management authority it had acquired in 1967 but then lost as the result of a court finding of unconstitutionality in late 1969.

Investment rise is planned

The 1970 Annual Program provides for implementation of this year's segment of the overall five-year plan. Placing heavy emphasis on rural development, the program, like its predecessors, outlines the provisions for increasing rural schools, public health centers, roads, water and electricity. The overall investment target for 1970 ($3.1 billion) is 11.8% above estimated 1969 investment with private investment expected to rise by 14% and public investment expected to show an 11% increase.

Among recipients of investment, the manufacturing sector would be the principal gainer (22.4%), followed by housing (17.9%), communications (16.1%), and agriculture (15.2%). As a preface to the project section, the program declares that projects unrelated to exports or without measurable import savings will either be postponed or their investment share reduced.

Major investment projects scheduled for completion in 1970, and valued at over $1 billion, include three hydroelectric plants, a thermal power plant, a dam, two cement factories, three paper factories, three fertilizer factories, four meat packing plants, and a brewery.

New investment projects to be started in 1970 have an aggregate value of $2.8 billion, and include a Soviet-financed third steel mill at Iskenderun as well as the Bosporus Bridge.

Projects with the highest requirement for imports out of the 1970 Import Program include the third steel plant and such ongoing projects as the aluminum plant, a petrochemical complex, a refinery, and a sulphuric acid plant.

Balance of payments estimates in the 1970 Program indicate the direction in which Turkey sees its trade and external economic relations developing. The trade account projects a 10% increase in exports to $600 million, a goal some observers find optimistic. Nevertheless, a normal agricultural year with continuing good markets for traditional agricultural exports could bring it within reach. The outcome will be affected by continuation of the system of "tax rebates" on certain exports, which was greatly expanded in 1969, and the further development of such non-traditional exports as textiles and clothing, meat, and fresh fruit and vegetables.

The indicated export increase still leaves a considerable imbalance in the trade account since imports, with an expected increase of 7%, are targeted at $880 million. Within the current account as a whole, some offsetting of the trade imbalance is to be obtained from an estimated 8% increase in remittances from Turkish workers abroad who are expected to total over 400,000 in 1970. Nevertheless, foreign exchange drawdowns for such items as interest payments and profit transfers, plus debt repayments, leave a total financial gap of $383 million to be closed by capital inflows, primarily in the form of foreign assistance.

Aid supplements private capital

Inflows of private capital plus imports without exchange outlays (largely provided by returning Turkish workers), provide the lesser amount of the gross capital inflow foreseen as necessary to keep the balance of payments within tolerable limits. The bulk of required capital for 1970 must be obtained from foreign assistance. This is seen as $190 million in project credits and $177 million in program credits. An estimated $25 million of this amount is expected from non-Consortium sources, largely Russian and Japanese. The balance would be obtained from the OECD Consortium (the U.S. and European countries) and financial institutions.

The 1970 import program, as published in the Official Gazette of Jan. 5, 1970,

TURKEY NEEDS INVESTMENT from foreign private sources in substantial quantity if it is to fully exploit the rich potential of its economy. The General Electric bulb plant, below, was a pioneer U.S. investment.

reflects the Government's efforts to balance import needs against anticipated foreign exchange availabilities. On this basis, the outlook is for another year of relative import shortage for a country trying to maintain a rapid yet stable rate of development. On the basis of the past record it is widely predicted that the $880 million of estimated imports for 1970 will not be fully realized. Actual imports will probably run in the neighborhood of $840-$850 million. Nevertheless, the composition of the official program provides a rough guide to the character of Turkey's imports for the year.

The 1970 program reiterates Turkey's intention to work toward reduction of import restrictions. As an implementing gesture the value of imports admissable on the so-called "liberation lists" (mostly raw materials) has been increased for 1970 to $400 million as compared to $355 million in 1968.

In theory, so-called "liberalized" goods may be imported freely. In fact, however, they are subject to heavy guarantee deposits, extensive prior ministerial approvals, and long transfer delays. In January 1970, for example, the waiting period for importers was over seven months. Furthermore, although liberalized imports are free in the sense that applications for individual items are not restricted, the list is subject to cutoff whenever total applications are too high relative to foreign exchange availabilities. In 1969, liberalized import applications were suspended on Nov. 10, somewhat earlier than usual. At the time of suspension there was a backlog of $240 million in applications to be worked off.

Reduction in global quota

The new global quota list, which covers about one-third of program imports, contains few individually significant changes from the 1969 list. Overall there is a $30 million reduction which reflects transfers to the liberalized lists and the fact that not all quota allocations have been used in recent years.

The list contains only two large quota increases: the allotment for automobile parts rises steeply to cover the beginning of local production of Fiat automobiles in 1970, and the six months' quota for tourist industry equipment is increased almost five times to $700,000. Investment goods quotas for state enterprises and for the private sector are about equal, with the former at $13 million and the latter at $14 million. Since quotas are for a half year, all these quotas could double for 1970 as a whole.

Within the 1970 program imports of investment goods and raw materials are each increased $10 million compared to the 1969 program, while the level of consumption imports remains the same. Shortages in industry may force a shift to increased raw material imports in the actual allocation of imports as the year progresses.

Turkey currently ranks about 28th among the 50 countries that take 90% of U.S. exports. Although figures for the whole year are not yet available, in 1969 a two-year (1967-1968) decline in the U.S. share of the Turkish market appears to have been halted and the trend at least temporarily reversed.

In 1968, with $121 million in imports from the United States, the U.S. market share reached a low of 15.8%. Nine months' figures for 1969 show that Turkey's total imports rose by $41 million as compared with the previous year. Imports from the United States, however, were $10 million higher and the U.S. market share improved from 15.8% to 16.1%.

At this rate, imports from the United States for the entire year of 1969 are estimated to have increased to $135-140 million while the market share went up to about 16.5%. Substantial deliveries of PL 480 wheat plus AID-financed imports should help maintain this trend in 1970.

U.S. outperforms competitors

The 1969 nine-months' improvement in the U.S. market share was accompanied by a decline in the market share of our principal competitors—Germany (20.9-18.8%) and the United Kingdom (13.7-12.5%). There was only a slight increase in Turkey's reliance on bilateral clearing agreements, with the market share increasing from 14% to 15% for the nine months.

It is noteworthy that commercial (non-AID) imports from the United States seem to be sharing in the improved performance. Although it is not possible to separate 1969 AID from commercial imports with precision at this time, it is known that AID imports included $40 million of program (commodity import) assistance and some $35 million in project arrivals. With the addition of about $25 million of Title I PL 480 commodities, mostly wheat, total 1969 concessional imports from the United States reached about $100 million. This would leave about $40 million to be accounted for by commercial imports within the estimated $135-140 million total imports from the United States.

For 1970, the U.S. market share will continue to bear a direct relationship to AID imports and the amount of these has yet to be determined. Assuming that it is possible to establish AID-financed commodity imports at somewhere near the level of the last two years, and that there will be a $35-45 million 1970 drawdown on the pipeline of AID project loans, the AID cushion for the U.S. market position will remain about the same as last year. This is expected to be bolstered by about $25 million in further PL 480 wheat sales. Consequently, although the slight expected increases in Turkey's actual imports do not provide much scope, a further increase in imports from the United States and the U.S. market share may be expected, especially if the United States can maintain its commercial position in relation to European competitors.

Sales opportunities

In 1970, U.S. exporters still have an opportunity to obtain and consolidate a market position in Turkey both through an anticipated AID commodity import loan, and through implementation of existing project loans. Purchase commitments have already been made on a number of these active AID projects, but much of the project money to be spent in 1970 represents sales opportunities. Active project loans include requirements for contractors equipment, electrical generating and transmission equipment for dams and power plants, highway equipment, copper and steel mill machinery, medical equipment, books and laboratory equipment, and railroad equipment.

The existing market for U.S. commercial sales is largely concentrated in a few products. In the category of machines and transport equipment, which are about 50% of U.S. exports (including AID), principal products are construction machinery, jet aircraft engine parts, and automotive equipment and parts. Good markets also exist for steam boilers, switchgear and machine parts and accessories. Products in this category with sales levels which seem lower than warranted by their market potential include telecommunications equipment, electric measuring and control equipment, electrical machinery, machine tools, textile machinery, hospital and medical equipment, mining equipment and food processing machinery.

The United States is the major supplier of the Turkish markets for hides and skins, and kraft paper. A new market for U.S. chemical fertilizers was opened in 1968 and reached an estimated $10 million last year. Increased local fertilizer production may reduce import requirements in 1970, but demand for imports should rise again in 1971.

The growing Turkish shortage of steel and steel products could provide a U.S. export opportunity for bars, special steels

and shapes in 1970. The need to bring existing Turkish tourist facilities up to standard, together with the considerable construction of new accommodations now underway, opens a market for U.S. tourism products. The increase of the tourism goods quota from $300,000 in 1969 to $1.4 million in 1970 will provide Turkish tourism entrepreneurs with foreign exchange to import. Unfortunately, many U.S. suppliers in this field are not yet represented in Turkey.

Market for engineering services

Turkey's heavy continuing requirement for project engineering services presents a large market that should not be overlooked. U.S. engineering firms are still very much in the picture, even with gradual removal of the AID project umbrella and despite the relatively high cost of their services. Future involvement, however, will most frequently require a U.S.-Turkish joint venture approach. The joint venture might take the form of an arrangement with a qualified Turkish engineering firm or perhaps with state economic enterprises, such as the Petroleum Organization (TPAO) or the petrochemical organization (PETKIM), which are themselves the actual consumers of engineering services. U.S. engineering firms, originally introduced to Turkey under the AID Program, are now involved in both types of joint ventures.

Among other projects due for award in 1970, the United States is expected to be competitive on the construction of a communications satellite earth station. There are also expected to be additional opportunities for enterprise-oriented development engineering studies like that being carried out by two U.S. firms in the rich Cukurova area of southeastern Turkey.

U.S. is principal investor

The United States has been the principal foreign investor in Turkey—including nearly TL 500 million in so-called "Cooley funds". "Cooley funds" are no longer available in Turkey, and much of the continuing U.S. economic stake in the country will therefore depend on the willingness of investors to bring in fresh capital, equipment and technological know-how.

During 1969, U.S. investment interest in Turkey continued although on a modest scale. Arrangements were finalized for the building of a gear box factory in Istanbul and a pump factory in Izmir. AID investment guarantees were obtained for investment proposals covering an ammonia plant, a carbon black factory, production of combines, manufacture of fluorescent lamps, marketing of fresh produce, diesel engine manufacturing and a glass plant. Investment interest has also been indicated by several leading U.S. food processors. Investment in assembly operations to protect market position is under consideration by a number of important suppliers of the Turkish market, including earth moving equipment manufacturers in the United States.

TRUCK ASSEMBLY PARTS enjoy a large import quota in Turkey but it appears that most imported goods will be in relatively short supply again this year. Below, Chrysler's truck assembly plant near Istanbul.

Realization of any large portion of this investment potential will largely depend on whether actions taken by the Turkish authorities in 1970 indicate a real willingness to maintain a salubrious climate for foreign private investment, including both the expansion of existing investment and approval of new ventures. At the turn of the year, some important U.S. investors were experiencing problems, the solution to which could be an indication of this Turkish willingness.

Future U.S. market position

During the 1970's, assuming net AID support will decline, the U.S. commercial position in Turkey will be maintained only by increased U.S. private business activity. The shift need not necessarily lead to a reduction in U.S. trade or participation in Turkish economic development. But if there is to be no reduction, American businessmen will have to consider Turkey worthy of market attention. U.S. suppliers face tough competition from Western European countries whose connections with the Turkish market predate ours, and whose long-term interest will intensify as Turkey approaches the Common Market. The Japanese also have begun to show a lively interest in the market potential of Turkey.

Turkey has not been a traditional market for U.S. products. Under current import restrictions, moreover, Turkey is not an especially interesting market for U.S. suppliers. But the Turkish market has a promising future. AID expenditures of over two billion dollars since 1947 have helped establish a taste for U.S. quality—for the durability, efficiency, serviceability, and overload capacity of U.S. equipment. Replacement of this equipment and the need for spares will provide a continuing market demand. Shifts in demand that are bound to occur as development continues should also create opportunities for the introduction of U.S. products new to the market.

U.S. suppliers will find that Turkey provides other advantages, such as widespread knowledge of English in business and government circles, and a large number of U.S. trained engineers. The Turks, by and large, are friendly to Americans and oriented towards the West. The emergence of a dynamic private sector is an especially encouraging development. The combination of an adequate domestic market, general political stability and excellent economic potential makes Turkey, the bridge between Europe and Asia, well worth continuing close consideration by U.S. business.

New Zealand is confident

Re-election of Holyoake Government assures businessmen; most economic indices gain

With one important exception, all New Zealand economic indicators continue to register gains according to the semi-annual Economic Trends report from the U.S. Embassy in Wellington. Agricultural production is up, although shortages of rainfall in most production areas may reduce output this year. The 1969 trade balance was even more favorable than in 1968, there was a substantial surplus in the current account balance, and unemployment is at a very low level.

Only industrial production shows a slight drop, caused in part by an acute shortage of skilled workers. The labor shortage has been accentuated because, surprisingly, the outflow of emigrants from New Zealand continues to exceed the inflow of immigrants. The National Development Council has reluctantly decided that because of the low growth of population the 4.5% annual GNP growth rate targeted for the years to 1978/79 may have to be reduced.

The competition for New Zealand's modest market is growing. The United Kingdom, the traditional most important supplier, is increasing its sales efforts with good results. Japan, too, is exporting a growing amount of its products to New Zealand. In late 1969 the New Zealand Government awarded a tender for the supply, installation, and testing of a Communications Satellite Earth Station to Nippon Electric Company of Japan. Overall cost of the station is reported to be around $5.8 million.

The EEC countries, in particular Germany, are pushing hard to sell and they are achieving more impressive sales gains than U.S. suppliers. A recent high-level visitor from Europe was the Belgian Minister of Trade, examining ways in which two-way trade between his country and New Zealand could be increased.

U.S. exporters should see that New Zealanders have the opportunity to purchase U.S. goods as New Zealand quotas are gradually eliminated. U.S. products, competitively priced, will not only help the U.S. export drive, but will also assist New Zealand to achieve its own goal of a more diversified economy, with less dependence on agricultural production for its general economic welfare and development.

In its endeavor to diversify its economy, New Zealand wants more private foreign investment. Good opportunities for joint ventures exist. The participation of Kaiser Aluminum in the huge aluminum smelter on South Island was welcome; more such investment is sought.

The Government of New Zealand is continuing its efforts to increase sales of agricultural products in its traditional markets, while at the same time trying to broaden world markets by sending trade missions to new trading areas.

Sales of New Zealand manufactured products abroad are rising along with those of traditional pastoral products. For the second time in two years, total export sales exceeded $1,000 million; in 1969 they totaled a sizable $1,240 million, up from $1,060 million in 1968. Dairy products sales turned in the least impressive results, although butter sales were up. The large and growing sales of New Zealand meat products to the United States has enabled New Zealand to earn foreign exchange to replace that lost through decreased sales of other items in the past two years.

Large surplus in U.S. trade

New Zealand maintained its large favorable trade balance with the United States during 1969. It is interesting to note that the record sale of 113 million dollar's worth of New Zealand meat to the United States roughly equalled the total of all New Zealand purchases from the United States.

The Overseas Exchange Transactions statistics issued by the Reserve Bank on Jan. 30, 1970 disclosed record figures for both exports and imports during calendar year 1969. Export receipts for all major categories showed good increases, the only exception being "other dairy products," which does not include cheese and butter. Total receipts were up 17% by $181.9 million to $1,241 million.

Meat exports turned in the best growth performance with receipts of $413.6 million, a sharp increase over the $332.9 million earned in 1968. Noteworthy is the fact that year-by-year meat exports are steadily increasing their relative importance as an export earner. Whereas in 1966 dairy products accounted for slightly larger export sales than meat ($241 million vs $237 million), by 1968 meat sales had far outdistanced dairy products—$258 million for dairy products compared to $413.6 million for meats. Wool sales also improved, with receipts increasing in 1969 to $270 million compared to $225 million in 1968.

New Zealand export meat production for the first three months of the 1969-70 season (Oct. 1 to Sept. 30) totaled

DAIRY PRODUCTS were New Zealand's main export until 1966 but are now far behind meat products in value of export sales. This fully automated dairy factory at Morrinsville has a fleet of 20 milk tankers.

173,297 tons, an increase of 16,705 tons, or 11%, over production during the same period of last season.

Export lamb production during October, November and December totaled 101,770 tons. This represents a decrease of 8,698 tons from the same period last year. Beef and veal production during the period under review totaled 28,055 tons, an increase of 8,247 tons over the corresponding period. Meat exports for calendar 1969 amounted to a record 670,441 tons. This is 53,318 tons, 9% more than the previous year's exports of 617,123 tons.

Wool prices are down

One development causing some concern has been the gradual weakening of market prices for wool sold at auction since Christmas. Termed a "drift downward" by the Wool Commission, prices were described as marginally worse compared to last year. At the end of 1969, with one-third of the clip sold, the average price was 3 cents a pound lower than at the corresponding time in 1968, or 28.1 cents a pound. The slowdown in northern hemisphere textile mills was blamed for the lower demand.

The Wool Commission has now sold almost 50% of its wool stockpile during the past two seasons. The wool had been purchased to support weak prices in 1967. The stockpile is now down to 374,000 bales, about half of the peak total in 1967. Through the sale of 330,000 bales, the Commission has recovered $35 million of the $36.2 million it paid out. However, it may take three years more to dispose of the remainder of the wool stockpile, according to the Commission.

In November 1969 the conservative National Party, led by Prime Minister Keith Holyoake, was re-elected by a small majority. The return to power of this party assured businessmen that sound financial and monetary policies would continue to be followed. Thus, business confidence in general was good as 1970 began.

Prime Minister Holyoake in his New Year's economic message, however, cautioned that, although New Zealand had recovered from the 1967-68 recession, there was a serious risk of inflation because of the acute demand for resources. Noting that both business activity and consumer demand were high, with real GNP growing at a rate of 5%, he said that the Government would keep a careful watch over the economy to keep spending pressures from gathering too much momentum.

Revised figures now show that for the year ending March 1969 GNP climbed from $4515.8 million to $4861.9 million, a 7.7% increase. Because of price rises, real GNP increased approximately 2.5%.

With the economy now picking up speed, informed estimates for the year ending March 1970 forecast a GNP of $5,275 million, an 8.5% increase. It is also estimated that price increases will account for approximately 3.5% of this increase, making a real GNP increase of 5%. If this figure is achieved, it will exceed the annual 4.5% target growth rate of the National Development Council.

Net outflow of migrants

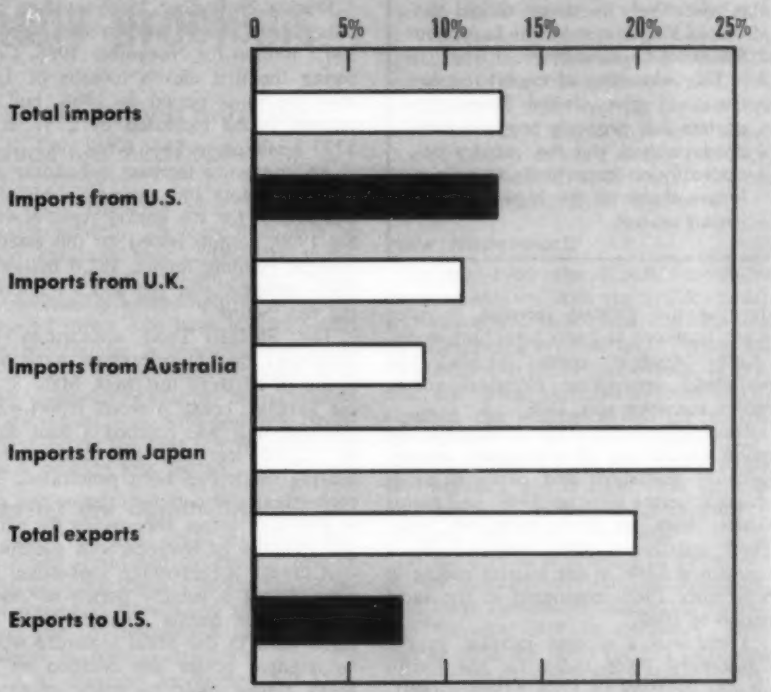
One of the National Development Conference assumptions in setting the annual GNP growth rate targets of 4.5% was that there would be a net average immigration of 5,000 persons each year. Recent statistics show, however, that there has actually been a net outflow of migrants from New Zealand during the past two years.

For this reason, it is now estimated that by 1972-73 the New Zealand population will increase by only 190,000 instead of by 237,000 as was previously forecast. As one result, the labor force will increase an estimated 85,000 instead of 108,000, thus making it more difficult to achieve the target growth rate. One competent observer of the New Zealand economy has described the departure of a large number of emigrants from the country over the past two years as a shocking development.

The latest statistics available show that retail sales have been going up steadily, and all indications are that demand is continuing firm in the first months of 1970. During the quarter ending Sept. 30, 1969 turnover reached $472 million, compared to $430.6 million for the same quarter in 1968, a 9.6% increase. Items

U.S. sales steady in New Zealand

(percent change in value of trade from 1968 to 1969, total and with leading suppliers)



Note: Figures are provisional

Source: U.S. Embassy, Wellington

U.S. can profit

New Zealand's trade policy calls for the steady reduction of import licensing requirements and the gradual elimination of import quotas. A reduction in British trade preferences is also likely to occur should the United Kingdom enter the European Economic Community.

This relaxation of import regulations will give United States exporters that properly promote their products and visit the country periodically an opportunity to gain a larger share of the New Zealand import market.

showing the greatest increase in sales were: furniture and soft furnishing stores, 15.8%; druggist goods, 13.5%; and household appliances, electrical goods, radios, television sets, 11%.

Helping to increase retail sales was the much greater use of installment buying. Sales of household and personal goods on credit terms were up 39%, and motor vehicle sales on credit increased 31%. Total installment sales increased by a substantial 24% in the quarter ending in September 1969, compared to the same period of 1968.

There was a modest increase in the Consumers' Price Index for the fourth quarter of 1969 to 1206 (1965=1000), up from 1201 in the previous quarter. The five-point increase, or 0.4%, was attributable chiefly to price increases of household equipment, apparel, and transportation, offset in part by decreases in the food group.

Building activity buoyant

During November 1969 building permits totaled $46.4 million compared to $34.3 million for November 1968. Comparing the first eleven months of 1969 with the same period in 1968, building permits issued increased by 27%, from $273.3 million to $346.6 million.

An impressive increase in building permits for factory and commercial buildings was noted: for the period April-November 1969, permits issued for this essential type of building totaled $82.6 million, a 55% increase over the $53.3 million of the year before.

The Shell-BP-Todd consortium has confirmed that hydrocarbons have been found in its third test well, Maui 3, off the Taranaki coast. A recent report stated that the well had reached a final depth of 11,158 feet and that hydrocarbon-bearing sands had been penetrated. The consortium will complete testing this well in February before announcing the nature and quantity of hydrocarbons present.

Although a consortium spokesman has warned that a lengthy period of assessment of the results obtained from the three wells in the Maui structure would be required before any decision on the field's future could be made, there are strong rumors to the effect that the wells will be commercially productive. The Deputy Prime Minister, Mr. John Marshall, said optimistically in January that if the Maui field is as substantial as it appears to be, it could provide not only for New Zealand's requirements for most of its oil and petrol, but also the raw materials for petro-chemical industries and for the generation of power, as well as for export.

Interest in minerals exploration continues at a high level. Additional prospecting licenses have been granted. Exploration and test drilling for sulphur is continuing in the Taupo area. The presence of significant quantities of high-grade silica was confirmed by New Zealand scientists. Ironsands and concentrate pellets are now being fed into the New Zealand Steel Ltd. kiln to produce sponge iron. By 1971 it is estimated that the plant will be producing roughly 200,000 tons of steel a year.

Highest potential

Products considered to have the highest potential for export to New Zealand in 1970 fall into the following categories: machine tools, metal-working machines, and engineering equipment; industrial measuring, testing, automating, and control instrumentation; electronic data processing equipment; photocopying apparatus (contact type); hospital and medical equipment; automotive service and maintenance equipment; food processing equipment and advanced packaging equipment and supplies.

WOOL SALES IMPROVED in 1969, bringing export earnings to New Zealand of $270 million, from $225 million in the previous year. These men are competing in a sheep shearing contest on North Island.

U.S. firms are involved

Four major construction contracts for the COMALCO aluminum smelter project at Bluff were let in 1969. The smelter is 25% owned by Kaiser Aluminum Co. A contract for the construction and installation of the plant to produce carbon products within the Comalco complex was awarded to the Fluor-Utah Construction Co. Inc., an American firm. About $80 million will be spent on the first stage of the smelter, which is due to begin production in 1971.

British Leyland Motor Corp. announced plans to build a new $3.4 million automobile assembly plant in New Zealand as a part of the worldwide merger of Leyland and BMC. It will turn out 20,000 cars a year; production should start in about three years.

Central African Republic makes some progress in developing its economy, despite many problems

Output of cash crops rises and new light industry is attracted, but numerous serious difficulties preclude too much optimism

The Central African Republic (C.A.R.), although faced with a number of serious problems, has had some success in efforts to develop its economy. The annual Economic Trends Report from the U.S. Embassy in Bangui states that the Government has made strenuous efforts to attract foreign investment, particularly in the areas of textiles and agricultural product processing. These efforts have resulted in the construction of a number of new plants during the past few years. In the field of agriculture, a continued program of exhortation and education has succeeded in almost tripling production of cotton, the country's principal cash crop, since 1966.

Historically, the Central African Republic has been a French commercial preserve. It remains so in the broad sense today, although other members of the European Common Market, especially West Germany, have shown some interest in increasing their sales here. A tariff structure which favors imports from EEC countries, higher freight rates from U.S. ports, lack of interest in this relatively small market by U.S. firms, and historical trading patterns all act to restrict American exports to the C.A.R. We foresee no early change in this situation since, even when a sales opportunity amounting to about $1 million falls into the lap of a U.S. company, as happened here several months ago, the American company involved (a fairly important exporter) refused to offer any credit terms other than those closely approximating commercial bank credit, which the C.A.R. Government felt were too stiff.

A number of serious problems exist, some of which appear virtually insoluble. Without massive amounts of foreign assistance, the development effort is unlikely to do much more than keep the country's economy abreast of population increase. In the agricultural sector, the country's two cash crops, cotton and coffee, are subject to stiff competition in world markets where these crops are generally in oversupply. Diamond production, which normally accounts for more than 50% of export earnings, apparently is being increasingly affected by smuggling. While the problems of an unemployed or underemployed urban elite have not yet arisen here, the country is educating more and more young people each year and it is highly questionable whether the public and private sectors, even with optimum development during the next few years, will be able to provide jobs for all.

Problems are aggravated

Finally, all the problems mentioned above are aggravated by chronic foreign exchange and budgetary deficits which inhibit economic growth and encourage inflation and an unhealthy if inevitable dependence on foreign assistance.

C.A.R. diamond production fell 15% in value and 13.5% in volume from 609,360 carats worth $18.099 million in 1968 to 526,906 carats worth $15.350 million in 1969. This decline was due at least in part to disputes between the Government and French mining companies almost wholly-owned or managed by American interests..

U.S. interest limited

U.S. business interest in the Central African Republic has been, and is likely to remain, limited to the purchase of diamonds and hardwood. U.S. exports to the country have not been large in past years and, judging by the lack of interest shown in this market by U.S. firms, are not likely to increase greatly in the future.

Similarly, there are few investment opportunities here which would be likely to tempt American capital and those few that do exist are snapped up by French interests as soon as they are identified.

Another record cotton crop was harvested in the C.A.R. in 1969. At 57,824 tons, it was 18% greater than the 1968 crop which itself had been 25% higher than that of the previous year. The goal for 1970 is 70,000 tons and, in view of the steady growth of production since 1966, it is probably realizable. Cotton, the second most important export of the C.A.R. (and the most important in the agricultural sector), accounted for almost a quarter of the country's exports in 1968.

Coffee production rose for the first time in several years, thanks to a crop season free of weather or other serious problems. Output climbed in 1969 to 9,172 tons from a 1968 level of 8,342 tons.

New trade pacts

During 1969 the C.A.R. concluded trade agreements with the USSR, Sudan and Yugoslavia. In addition, conversations looking toward eventual trade agreements were held with Japan and Greece. In general, the trade agreements have simply signified the willingness of the C.A.R. Government to exchange tropical products for finished light and heavy industrial products and to allow joint ventures in the C.A.R. in such fields as forestry, minerals, and food processing.

If the C.A.R. is actually to export any of her primary products in accordance with these agreements, significant production increases will be necessary. Even leaving aside the needs for (1) increasing the amount of arable land under cultivation, (2) improved farming techniques, and (3) a large shift from cultivation of subsistence crops such as manioc to cash crops, these increases do not appear realizable without increased expenditures on the internal road network. This seems essential if agricultural products are to reach Bangui for processing or export.

The fluvial transportation net must also be improved so that timber can be floated to the Oubangui River and from there transported to Pointe Noire in Congo (Brazzaville) for export. While a number of infrastructure improvements are planned, their completion demands both cash and time.

Hope for aid

The impetus behind the rash of trade agreements seems to be the hope that trade ties will be followed by aid of one sort or another. It is certainly possible that countries such as the USSR, Yugoslavia and Japan could provide some significant aid here. However, so far as we know, nothing concrete has been agreed to yet and nothing is in the offing in the immediate future.

The C.A.R. government budget was in

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deficit by about $3 million in 1969. Cash was so short at the end of the year that the Government felt obliged to threaten draconian measures against private companies allegedly delinquent in 1969 and previous year tax payments.

The budget pinch is likely to be felt for some time to come and no real solution seems to be in sight. The Government has committed itself to capital participation in a number of mixed enterprises and to increased foreign borrowing which will inevitably lead to even greater burdens on the budget. While some of the debts incurred and capital pledged will eventually lead to increased government receipts, it is unclear whether, in the short to medium term, budgetary pressures can be contained without resort to increased tax levels—a solution which the Government has previously rejected as counterproductive.

Transport developments

To a country such as the C.A.R. which is more than 1,000 kilometers from the sea, transportation is of major importance. During the past year, a number of important developments have taken place in this field. Civil aviation links with Sudan and with the USSR were established, an IDA loan of $4.2 million was granted for reconstruction of the Bangui-M'Baiki road, and there was a $1.6 million West German loan for construction of riverboats. On the negative side, the successful multinational transportation agency Agence Transequatoriale des Communications (ATEC) which maintained the rail-river-road connections from Pointe Noire in Congo (Brazzaville) to Fort Archambault in Chad, was broken up by Congo (B) nationalization of that portion of the organization in its territory and by the C.A.R.'s takeover of its goods, responsibilities and property here.

Problems ahead

For the C.A.R. two negative aspects of the ATEC breakup are immediately visible. The previous efficient organization of river dredging, charting, marking, etc. for both the Oubangui and Congo Rivers which was handled by ATEC will in all probability deteriorate significantly simply because two new organizations responsible to ministries and each ultimately to one of two national governments will not be as efficient as ATEC was. Much more important, the whole program for maintaining the road from Bangui to Fort Archambault no longer exists because financing for this activity came from the profits of the Pointe Noire-Brazzaville rail section of the interstate transportation net.

IFC to help finance Chile copper venture

$32.5 million mining project will have several sponsors

The International Finance Corporation, of the World Bank Group, is joining Chilean, Japanese and U.S. interests in financing Minera Sagasca S.A. (Sagasca), which is carrying out a $32.5 million equivalent copper mining venture in northern Chile.

Sponsors of the project are Continental Copper and Steel Industries, Inc. (CCS) of New York, a diversified manufacturing and mining company; Corporacion del Cobre (Codelco), the Chilean Government copper agency; and IFC.

Japanese interests are providing part of Sagasca's loan capital and guaranteeing a market during the early years of operation for half its output.

Sagasca will develop copper ore deposits located east of the port of Iquique.

CCS, the principal shareholder, is providing $9 million in equity and loans. Codelco's investment is $3.5 million in equity and loans. IFC's investment is $10 million in loans and $900,000 for contingencies. The Corporation will receive 15% of Sagasca's shares in consideration of its loans.

Dowa Mining Co. Ltd., of Japan, is making a $10 million loan to Sagasca. Dowa will purchase at least half of the mine's output for the first six years of operation. Dowa's purchases will be for itself and for two other Japanese firms.

With the Sagasca investment, IFC will have made 10 commitments totaling more than $21 million in five Chilean projects. The enterprises are in the cement, copper mining, food and food processing, and pulp and paper fields. Total cost of the projects financed was about $70 million.

War in Laos stimulates growth of urban areas of nation's economy

Continued construction of Nam Ngum power project and increased lumber production are favorable elements

The economic cost of the continuing war in Laos shows particularly in terms of severed transportation links between the different regions and between Laos and the outside world, according to the annual Economic Trends Report from the U.S. Embassy in Vientiane. Conditions hinder development of hinterland resources such as tin, coffee, and timber. At the same time, war has stimulated the relatively secure regions of the Mekong Valley where Laotian population and economic activity traditionally have been concentrated; the outlook there is for relative stability and modest growth.

Except as a derivative of current foreign aid programs, Laos does not have the GNP or population base to become a significant market for American products in the foreseeable future. Laos continues to be a minor U.S. source of supply of green coffee, and certain exotic woods and forest products. Laotian export trade is minimal, however, largely because the country is so badly situated in respect to world markets.

The war in Southeast Asia has brought Laos to the center of world attention, and the country will no doubt continue to be an important recipient of foreign aid for a number of years. U.S. suppliers benefit from tied U.S. AID procurement. Aside from this, direct sales of American products are likely to be on a small scale, although American firms in nearby Thailand may find the Laotian market of peripheral interest.

Current Laotian imports from the United States include transport equipment, non-electrical and electrical machinery, iron and steel, metal manufactures, tobacco and cereals.

As noted above, the war has been a stimulus to growth in the relatively secure Mekong river valley. The organizational effort forced on Laos by the war will have a lasting impact on economic and administrative structures. The United States and other foreign aid donors have absorbed the financial burden of the war. As a result, the monetized sector (Vientiane and the provincial capitals) has been greatly stimulated.

The war's manpower requirements have

produced a tight labor market in the cities. Workers are drawn in from the countryside and from Thailand. Immigrants make up about 30% of the Vientiane work force and somewhat smaller fractions of work forces in other Lao cities on the Mekong. It is estimated that population is growing per annum at rates of 10% in Vientiane, 7.5% in urban areas generally, and 6.3% in the monetized sector. This increase in population in the monetized sector is proportionate to growth in economic activity measured by 1964-1968 increase in real money supply. Total income in the money sector was estimated at $87 million in 1968 with an annual growth rate of 6.6%. Per capita income in the monetized sector is about $180 and family income averages over $1,000. This income level provides a growing market for motorbikes, radios, and other inexpensive consumer products.

Agricultural modernization

Over 80% of the population of Laos works in agriculture. Only a small segment of the population lives within the monetized sector. Food shortages in urban areas and the needs of refugees continue, however, to make substantial food imports necessary.

Effective transport communication between rice surplus and deficit areas is being developed. Until security can be maintained, the hope of reducing Vientiane's dependence on Thai food staples will depend on expanding production in the Vientiane plain and developing farm-to-market roads in the area.

Cotton production in southern Sayaboury Province is expanding.

A joint Lao-U.S. undertaking, the Agricultural Development Organization (ADO), focuses on market development. Half of agricultural land in the Vientiane plain remains unutilized because of inadequate labor supply, marketing institutions, transport, and incentives. ADO has pilot marketing programs, provides credit assistance, and works to provide extension supervision to farmers.

Agricultural production is increasingly adopting new forms and techniques. Two trends of special significance are the rapid growth in chemical fertilizer use and the accelerated application of doublecropping methods.

Construction of the Nam Ngum Dam on a tributary of the Mekong has been under way since October 1968 and is scheduled for completion in late 1971. Basic excavation has been completed, and concrete pouring will begin in January 1970. The Nam Ngum Dam, with a 30,000 KWH initial output (and ultimate installation capacity of 120,000 KWH) will supply the normal requirements of Laos in energy, encourage industrialization, yield a power surplus that can be sold to Thailand, and provide irrigation power for 5,000 hectares in the Vientiane plain.

Lumber production recovered rapidly in 1969 from the security problems of 1968, although recorded exports lagged due to reduced U.S. military procurement in Thailand. Although security is still a problem, particularly limiting the use of heavy equipment, recorded lumber exports, which generally rank second behind recorded exports of tin concentrate, totaled an estimated $920 thousand for 1969 compared with $1,010 thousand in 1968. Strong domestic demand appears to have been a factor in the drop of exports.

The future of lumber exports depends on arrangements with Thailand; Thai buyers presently must pay a high import duty on lumber from Laos and deliveries to the outside world currently must be routed through Bangkok.

A new audit with independent status and broad control powers was introduced by the Royal Laotian Government on Aug. 1, 1969. It will verify receipts, obligations, and expenditures independently of the Budget Office. It is hoped that the new audit unit will develop ultimately to the status of a Laotian "General Accounting Office."

This step followed the successful activation in 1968 of the Planning Commission. These efforts to further strengthen administrative services provide a climate conducive to expansion of the Laotian economy. In the long run the performance of these new units will depend on their ability to attract technically proficient officials, chronically in short supply in Laos, and on the support they receive from other Laotian Government agencies.

Foreign assistance to Laos is greater than to any other Southeast Asian country in dollars per capita. Direct commodity import programs, confined essentially to petroleum lubricants and utility vehicles, are a declining portion of this aid. In recent years most non-project assistance has been funneled through a free market stabilization fund which has been renewed each year by five cooperating donor governments. This fund purchases all kip tendered for hard currencies at a fixed exchange rate ($1=K500).

The fund's net effect is to place greatly increased import purchasing power in the hands of consumers via the free market. This trend towards greater reliance on the free market in apportioning aid to Laos carries with it increased challenges and opportunities for U.S. exporters, who will find the range and depth of demand for imports in Laos greater than the country's size would lead one to expect.

Shortage increases German industries' dependence on foreign coal suppliers

The upsurge in German demand for coal in the face of inadequate supplies available from domestic producers has increased German dependence on foreign suppliers, according to a recent report of the German Coal Import Association. German steel production soared during 1969, bringing in its wake a heavy increase in overall requirements for coking coal.

An unprecedented rise in the solid fuel requirements of the electric power generating industry also contributed to the growing demand on domestic coal resources in 1969, which led to a shortage of supply.

As a result, importers contracted for additional coal imports from the United States, and also shifted to new sources of supply such as Australia, South Africa, and India, the Association reported. Germany's imports increased from about 5 million metric tons in 1968 to 5.3 million in 1969. Principal suppliers in 1969 were the United States with 3 million metric tons, the United Kingdom with 1.4 million tons, Poland with 600,000 and Sweden with 50,000 metric tons.

Details on the recent increase of the duty free coal import quota were reported in INTERNATIONAL COMMERCE, Feb. 9, 1970.

Chicago Trade Club planning first 'Import Day' sessions

Two-way aspects of international commerce will be discussed by the International Trade Club of Chicago under the auspices of its Import Committee, which has scheduled the first "Import Day" in the club's 50-year history Thursday, Mar. 12 at the Conrad Hilton Hotel. Richard J. Wood, director of foreign buying, Montgomery Ward & Co., is chairman of the Import Committee.

Thomas B. Curtis, vice president and general counsel of Encyclopaedia Britannica, Inc., and former U.S. Representative from Missouri, will discuss pending trade legislation at the luncheon session of the all-day program.

A general session in the morning with addresses by representatives of labor, industry and a bi-national trade promotion association, will be followed by the luncheon and an afternoon workshop on import procedures and problems. A panel of experts in transportation, banking, insurance, custom house brokers, containerization and the U.S. Customs Service will answer questions in an open forum discussion.

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Argentina issues new tax package; more changes said to be on way

Treasury Secretary says net result will be a lessening of tax burden; gradual shift to value-added tax indicated

The Argentine Government tax program for 1970 was recently announced. Treasury Secretary Mey characterized this package as medium-term legislation, stating that long-term tax reforms will be forthcoming in the future. He claimed also that the net result of the current changes will be to reduce the tax burden from its 1969 level, and that the government's tax investigation staff will be increased to improve compliance.

The new tax package, consisting of eight laws and one decree, allow among other things for a settlement of previous tax delinquency or avoidance by the taxpayer through a payment of an 8% tax. Previously applied in 1956 and 1962, the settlement procedure permits the taxpayer to legalize assets (exclusive of cash, personal property, jewelry, household effects, and works of art) bought with funds that would have been subject to an average rate of about 23% if income tax had been paid on them. The law will provide an estimated single year income of $114 million.

A gradual shift beginning in 1971 to a tax on value added system is previewed in several alterations to income and sales taxes, including a 3% tax on construction of hotels, garages, drycleaning and beauty shops and other businesses. The tax on new construction is expected to help landlords who have experienced trouble in renting vacant apartments and dwelling units.

Corporations are to shift from bearer to nominative shares, with the exception of stock publicly issued through the stock exchange. For stock which is not put into the name of the stockholder, a payment of 15% tax on dividends is provided. Companies whose stock is traded on the Buenos Aires Stock Exchange are exempted from this requirement.

Tax incentives are provided to accredited scientific research organizations and universities. Incentives include double deduction of contributions, full deduction from corporate income taxes of the salaries of persons engaged in such research. A tax credit is allowed for up to 50% on the amortizable investments made in equipment devoted to research.

Through revisions of sales and stamp taxes, some moderate tax encouragement is offered to business for re-equipment, modernization, and mergers. A transfer tax on non-commercial automobiles and trucks is converted to an annual tax. The effect will be to about triple the fiscal income since the normal turnover period for vehicles has been about three years. Automobiles for hire and ambulances are exempted from this tax.

Increased deductions for dependents and a small deduction in personal income taxes appear to be the main social welfare aspects of the changes.

Shell to double output of two chemical plants

The Shell Group has announced that chemical production at Carrington and Stanlow in northwest England will be doubled over the next five years at a cost of $540 million, an investment said to be the largest yet made in the British chemical industry.

Most of the chemical plant is expected to be in production by 1973, and will include a $96-million olefins plant at Carrington with an annual capacity of 450,000 tons of ethylene, 300,000 tons of propylene, 100,000 tons of butadiene and 500,000 tons of pyrolisis gasoline. At Stanlow there will be a phenol plant costing about $24 million with a capacity of 100,000 tons a year, as well as plants producing benzine and C.3. solvents; and a 7.5 million-ton distilling unit to provide feedstock for chemicals. Other plants will double the company's production of polyethylene and polypropylene.

Altogether the plants will produce about one million tons of chemicals a year valued at over $288 million, and they are expected to increase chemical exports by some $96 to $120 million a year and make a considerable saving in imports.

IFC and private underwriter aid Malaysia textile mill

The International Finance Corporation, of the World Bank Group, is joining with Malaysian and Indian investors to establish an integrated textile mill in West Malaysia.

Fifty-one percent of the company's equity will be offered to Malaysian investors. Most of these shares will be offered to the public through an underwriting by Malaysian Industrial Development Finance, Berhad, a local development bank which IFC helped to reorganize in 1963, and by the Private Investment Company for Asia, a new multi-national investment corporation formed to promote and invest in private enterprises in Asia. A portion of the company's equity will be provided by Majlis Amanah Ra'ayat (MARA), a Malaysian investment institution.

A $5.9 million company, India-Malaysia Textiles Berhad, has been incorporated in Malaysia to build and operate a plant under the management of the project's sponsor, Birla Cotton Spinning and Weaving Mills Limited, a textile manufacturer in the Birla Group of companies, in India.

The new business is expected to be among the largest textile producers in the country, with an annual capacity of some 7.3 million square yards of suiting, shirting and dress material, of natural and synthetic fiber blends.

IFC's investment amounts to approximately $1.5 million, consisting of a long-term loan of $1.25 million and a share subscription of $250,000 equivalent.

Israel requires 50% deposit on value of all imports

On Jan. 11 Israel's Minister of Commerce and Industry ordered a prior deposit requirement of 50% on the value of imported goods. This deposit must be held in the Bank of Israel for six months at an annual interest rate of 6%. This requirement will be in effect for all imports where the duty is 30% or above. Exceptions to this are: (1) government imports; (2) goods where the deposit would amount to less than 500 Israeli pounds (about $143); (3) personal effects of immigrants and temporary residents; and (4) goods for enterprises having the status of approved investments. Owners of goods already in customs or bonded warehouses must deposit 25% of the value of goods cleared before Mar. 12.

Canadians take steps to convert to metric system

U.S. practice will have direct bearing on timing of transition

Last month the Canadian Minister of Industry, Trade and Commerce tabled before the House of Commons a White Paper stating that the eventual adoption of the metric system should be an objective of Canadian policy.

The document set forth (1) reasons for proposing a changeover to the metric system, (2) advantages accruing to the several parts of the economy, (3) possible stages for the conversion, and (4) special considerations necessitated by Canada's relations with the United States. In explaining the factors which led the Government to advocate conversion, the paper cited the marked trend to the metric system outside North America and the increasing importance to Canada of foreign trade. Because of that trade, particularly in manufactured goods, the Government expressed concern over the damage to Canada's competitiveness in world markets as a result of the increasing changeover to the metric system in the rest of the world. Already, the paper noted, conversion in Britain and Japan had been affecting two of Canada's three main foreign customers.

Commission proposed

Conscious of the need for a transitional period in such a conversion, the Government proposed the creation of a preparatory commission, in the form of a Standard's Council, whose establishment was already in a bill before Parliament, to provide for the necessary organization as well as for the expression of special interests.

The special interest which was the object of the most considered attention was that of industries trading extensively with the United States. Under policy implications, the Government called attention to the fact that due to the close ties between the United States and Canada in science, technology, industry and commerce, each country has a special interest in the course likely to be followed by the other regarding metric conversion.

The White Paper added that presently the U.S. market was absorbing a major and increasing share of Canada's exports of manufactured goods. "Some sectors of Canadian industry are closely involved, corporately and in respect of technology, with the U.S. . . . it may prove wise to allow the timing and development of conversion to be closely related to the developments of U.S. practice."

With an eye to U.S. practice, Canadians will be awaiting the findings of the National Bureau of Standards Metric Study Team, to be released this fall, regarding increased possibilities for the use of the metric system in the U.S. The report of that team is expected to have a direct bearing on the length of the transitional period referred to above.

Turkey to import more during 1970

New trade program allocates $20 million increase over 1969

Planned imports under Turkey's 24th Import Program, covering calendar year 1970, amount to $880 million, an increase of $20 million over planned imports for 1969. Of this total, $375 million is allocated for investment goods, $450 million for raw materials, and $55 million for consumer goods.

The allocation for imports under the liberation list (licensed automatically) totals $400 million, or $45 million more than in 1969. Planned imports under the quota list (licensed subject to specified global quotas) are $205 million, down $30 million from 1969. The allocation for imports under bilateral trading agreements is unchanged at $105 million. The remaining $170 million covers imports against foreign credits and grants ($157 million) and private foreign capital.

The liberation list is valid for the full 1970 calendar year. The quota list is valid for only six months, however, and its composition may be changed in the new list which will be issued in July.

Several new items have been added to the liberation list, including titanium dioxide for the dyestuffs industry, iron and steel bars, rust-proof steel sheets, and brass matrices for printing machinery. In addition, the following items formerly under quota are transferred to the liberation list: refined and insoluble sulphur, motorine oil, and bicycle tires. Two items formerly on the liberation list—metal frames for umbrellas and glass fiber, wool, and cord —are now on the quota list.

Aside from the changes noted above, the composition of the quota list is unchanged except for the addition of coffee extracts and the deletion of automotive doors and safety belts. Numerous changes are made, however, in the amounts of the global quotas for individual items.

The new program amends the guarantee deposit requirements for a few selected items. Otherwise, there are no significant procedural changes. Details of Turkey's import licensing procedures are contained in Overseas Business Report 69-45, *Foreign Trade Regulations of Turkey*.

Inquiries concerning the policy for individual items may be addressed to the Near East-South Asia Division, OIRE, Bureau of International Commerce, U.S. Department of Commerce, Washington, D.C. 20230.

Portugal will use Eximbank loan for U.S. jet purchases

Two Boeing 707 jet aircraft, related equipment and services will be purchased by Transportes Aereos Portugueses, S.A.R.L. (TAP) of Lisbon with the help of a $4,172,850 credit from the Eximbank. The loan will pave the way for purchases from the United States totaling about $18.5 million.

The borrower will make a cash payment of 35% of the total cost, or $6.5 million, and the balance of the financing, some 42% or $7,882,050, will be provided by Portuguese banks.

Established in 1944, TAP is Portugal's principal air carrier providing service domestically and to points in Western Europe, North and South America, Africa, and certain islands in the Atlantic Ocean. Exclusive of this new loan, Eximbank has authorized four credits to TAP totaling some $15.2 million. Purchases under these credits included three Super Constellations, one Boeing 727 and three 707's.

IFC assists $68 million Philippine pulp, paper mill

The International Finance Corporation, of the World Bank Group, is helping to finance the addition of a $68.6 million pulp and paper mill to a Philippine lumber company.

IFC's investment in Paper Industries Corporation of the Philippines (PICOP) includes a $1.28 million equivalent equity commitment and a standby commitment covering $2.18 million of a $6.03 million public stock offering.

The sponsors of the project are the Soriano Group of companies, of the

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Philippines, and International Paper Company, a U.S. pulp and paper producer.

PICOP and its wholly-owned subsidiary, Bislig Bay Lumber Co., are currently engaged in logging, and the manufacture of plywood, veneer and sawn lumber. The addition of a pulp and paper mill to these operations will give Southeast Asia its first integrated forest products complex. PICOP operations are in Surigao del Sur, in the southern island of Mindanao.

The new mill will produce 150,500 tons of newsprint paper, linerboard, and corrugating medium.

The project is expected to result initially in net foreign exchange savings of $15 million a year by substituting local production for imports.

Cameroon, Pakistan get $39 million for development

World Bank, IDA supply funds for Cameroon roads, Pakistan firms

The World Bank and the International Development Association (IDA) are lending $19 million for a highway project in Cameroon, and IDA is extending a credit of $20 million for industrial development in Pakistan.

Cameroon has given transport improvement a dominant place in its development plans. The single most important project is the Transcameroon road-rail route which will extend about 1,240 miles from the Chad border to the coast. It connects the heavily populated and potentially productive northern provinces with the rest of the country and the sea, particularly with Yaounde, the capital, and Douala, the main port; it also serves the southwestern part of landlocked Chad.

Routes described

Two of the roads involved in the Cameroon project being financed by the Bank and IDA form part of this route. A 169-mile section will be improved to all-weather standards, and feasibility studies and detailed engineering will be undertaken on another 157-mile section. Two other roads in the project radiate from Douala. One, to be improved, is a 14-mile section of the road from Douala to Victoria, an important port and commercial center. Feasibility studies and detailed engineering will be carried out on a 112-mile road from Douala to Pont du Nkam in a densely populated agricultural region.

The Government of Pakistan will relend the proceeds of this $20 million interest-free IDA loan to the Industrial Development Bank of Pakistan (IDBP). The Government established IDBP in 1961 primarily to finance medium and small-scale industries in East and West Pakistan. Since then IDBP has approved over 3,700 loans, totaling the equivalent of some $450 million, for a wide range of industries, particularly the export-oriented textile and jute industries. About 80% of its lending has been in foreign exchange. IDBP plans to increase its lending for the next five years by about 60% over the previous five-year period. The IDA credit will finance about a third of its foreign exchange requirements in the next two years.

IDBP's activities complement those of the Pakistan Industrial Credit and Investment Corp., which finances the larger enterprises and to which the World Bank has lent about $183 million. The two institutions are the most important financial intermediaries for private industrial development in Pakistan.

Pakistan establishes fund to assist private investment

The Government of Pakistan recently promulgated an ordinance providing for the establishment of an Equity Participation Fund "to promote and generate investment in the private sector in East Pakistan and the less-developed areas of West Pakistan."

The Fund will provide equity support to small and medium-sized private enterprises with its authorized share capital of $42 million (equivalent); this will be contributed by the central and provincial governments as well as private institutional investors. The ordinance also empowers the Fund to underwrite, manage, and distribute the issue of stocks and shares of such enterprises either singly or in conjunction with other financial institutions, and to facilitate investment by selling new share flotations of companies without underwriting obligations.

The Fund is to be governed by a Board of Directors with a head office located in Dacca, East Pakistan, while the operations will be carried out by the Industrial Development Bank of Pakistan (IDBP). Inasmuch as the IDBP with its wide network of established offices will administer the Fund, actual operations are expected to begin in a short time. A waiting list of projects ready for implementation is already developing.

Bank of Japan will lend $100 million to World Bank

The Bank of Japan has agreed to lend the World Bank 36 billion yen ($100 million). This loan, carrying annual interest of 7.14%, will be repaid in five equal installments from February 1973 to February 1975.

The Bank of Japan, in announcing the loan, noted:

"In view of the recent developments of Japan's balance of payments, The Bank of Japan has decided to extend the above loan to the World Bank, which has made a great contribution toward the development of the Japanese economy for many years, in order to help the World Bank's activities and thereby strengthen international monetary cooperation."

Robert S. McNamara, the President of the World Bank, said:

"I am particularly pleased at this first Yen loan from Japan, a country with which we have had a long partnership in the development process. It is most gratifying that at this stage Japan is able and willing to make its resources available to help others in this same development process.

"I would also like to express my warm thanks to the Japanese Government, and to the Bank of Japan who have helped us so generously in completing this notable transaction."

Australia's Ansett airline gets Exim aid on 7 U.S. jets

The Export-Import Bank of the United States has announced the authorization of a $5.4 million credit to Ansett Transport Industries (Operations) Pty., Ltd., of Australia. Proceeds of the loan will help finance the purchase of one Boeing 727 and six McDonnell Douglas DC-9 aircraft, with related spares, equipment, and services. Total cost of the purchases in the U.S. is estimated at $39.8 million.

The borrower will make a cash payment of $7.9 million; The Australia and New Zealand Bank will finance some $3.4 million; First National City Bank of New York will finance $6.3 million; various Australian funding organizations will extend credit amounting to $16.1 million; and the McDonnell Douglas Corporation will finance $600,000.

Ansett is a privately-owned company and one of the two domestic airlines in Australia. Delivery of the aircraft financed under the current credit is expected to begin next month. Eximbank's loan is to be guaranteed by the Commonwealth of Australia.

U.K. firms looking for licenses to produce wide variety of items

Makers of filtering equipment, autos, nozzles, tools and dies seek to diversify their lines by manufacturing complementary products

Four British firms are interested in licenses to produce a wide variety of items.

• Licenses to produce pre-coat, sand and cartridge type filters, water softeners and related equipment are sought by a British firm. Currently, the company makes gas and liquid filtration equipment, ceramics, precision tool and dies and pneumatic materials handling apparatus.

The firm is a subsidiary of the Royal Doulton Group, which is well known throughout the world for its fine bone china. Other affiliates make sanitary ware and insulators.

Write: Aerox Filtration Division, Doulton Industrial Products Ltd., Filleybrooks, Stone, Staffordshire, England. WTD. **P-70425.**

Additional material on this opportunity is available on a loan basis from the Office of International Investment, Department of Commerce (BIC-878), Washington, D.C. 20230. (202-967-4065).

• A diversified British manufacturer of forgings and castings, motor vehicles, mechanical handling equipment and machine tools is interested in licenses to produce equipment that would be complementary to its present product line. The minimum annual sales potential for such a product should be approximately $1.2 million.

The English firm also makes axles, brakes, trailers, mechanical road sweepers and tank trucks. It operates a well equipped plant and has around 225 employees.

Write: Brockhouse Organization, Victoria Works, Hill Top, West Bromwich, Staffordshire, England. WTD. **P-70421.**

• Licenses to manufacture related products are sought by a British producer of liquid and solid separation equipment used in the beverage, chemical, water processing and mining industries. The firm's range of products includes strainers, vibrating screens, centrifuges, high and low capacity filters, thickeners, expellors and absorption columns.

The company markets its products in the United Kingdom and twelve other countries through agents, associate firms or licensees. It is a division of Vacuumatic Ltd.

Write: Stella-Meta Filters Ltd., Laverstoke Mill, Laverstoke, Nr. Whitchurch, Hampshire, England. WTD. **P-70424.**

• A British producer of hydraulic spray nozzles for agricultural use, all types of valves and filter elements seeks licenses to manufacture products complementary to its present line.

Write: Lurmak Ltd., Longstanton, Cambridge, England. WTD. **P-70423.**

Scottish producer of heavy items decides to diversify

A Scottish manufacturer of mining machinery, electric locomotives, presses and marine equipment seeks licenses to make products suitable to its present production facilities.

For some years the firm has been engaged in the supply of precision machined products on a sub-contract basis and its customers include major U.S. companies. It is therefore familiar with American methods of operation and production standards. The Scottish concern does not have its own network of distribution or sales facilities.

Write: Logan Engineering Ltd., Gray Street Works, Lochee, Dundee, Scotland. WTD. **P-70422.**

Cyprus firm wants partner in iron processing venture

A long established Cypriot importing firm is interested in collaboration with an American firm to set up a plant to process imported iron ingots into reinforcing iron bars. Most of the plant's production would be absorbed by demands of the local market.

Write: John Cotsapas & Sons Ltd., 26 Themis St. P.O.B. 112, Limassol, Cyprus. WTD. **P-70420.**

Argentine municipality offers special incentives to U.S. firms locating plants there

A small municipality in the central Argentine Province of Cordoba is prepared to offer special incentives to American investors who would establish manufacturing firms in the area. The town, Justiniano Posse is 300 miles northwest of Buenos Aires, the national capital. It is located on a through-railroad line and is connected to the country's paved highway network.

Justiniano Posse, which has a population of about 7,000 persons is served by the provincial utility but has its own stand-by power plant. The area is entirely agricultural except for a few small plants manufacturing farm tools.

In its effort to encourage the establishment of manufacturing industry the town offers the following inducements: the donation of a factory site of appropriate size and in a suitable location; exemption from municipal taxes for at least ten years; municipal support for seeking similar exemptions from provincial and national taxes; electricity at reduced rates; other measures that might be arranged by negotiation.

Write: Hon. Sr. Andres M. Vanderhoeven, Intendente Municipal, Justiniano Posse, Departamento Union, Provincia de Cordoba, Argentina. **P-70418.**

Yugoslav construction firm wants U.S. partner in building $50 million tourist project

An established Yugoslav construction company is interested in a partnership with an American group for the construction of tourist facilities in the South Adriatic region of the country. Technical and financial participation and, possibly, the supply of equipment are needed. Three hotels, night clubs, swimming pools and recreation facilities with a value of approximately $50 million are among the construction activities for which a foreign collaborator is needed.

Under Yugoslav Investment Law an overseas partner can invest up to 49% of the total investment cost. The profit split is negotiable and repatriation is made in hard currency.

Plans for the proposed development and further details are available from: Kosutnjak, Gradjevinski kombinat, Radnicka 54, Belgrade, Yugoslavia. WTD. **P-70413.**

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Twelve major firms forming Latin agricultural investment corporation

New unit will promote eventual local ownership of projects; organization can draw on expertise of its shareholder firms

A new investment company designed to promote efficient production, processing and distribution and contribute to the profitable development of agriculture in Latin America has been announced in New York by 12 major corporations that are the organizing shareholders.

The venture, with an authorized capital of $15 million, will be known as the Latin American Agribusiness Development Corporation (LAAD).

In announcing its formation, its board of directors said the new organization expects to increase food production and rural income by the profitable application of investment capital which will lead to local ownership.

LAAD will invest in new and existing enterprises which produce, process, transport, distribute and market agricultural products.

Market analysis

Key investments within a country will be determined by market analysis and may involve production and processing facilities or service facilities such as warehouses, transport lines, and distribution agencies if these reduce waste and simplify marketing.

The board has elected Fred S. Orth, vice president of the Bank of America, operating out of San Francisco offices, as interim president of LAAD. It has named Donald J. Kirchhoff, executive vice president, Castle & Cooke, Inc., as its chairman and Paul F. Cornelsen, president of Ralston Purina International, as vice chairman.

Other members of the board of directors, and their firms, include: Alejandro Orfila, Adela Investment Co., Lima, Peru; William H. Bolin, Bank of America, San Francisco; John J. O'Connor, Borden Inc., New York City; H. Robert Diercks, Cargill Inc., Minneapolis; Lee L. Morgan, Caterpillar Tractor, Peoria, Ill.; Ernest W. Hornig, CPC International, Englewood Cliffs, N.J.; W. R. Klingberg, Deere & Co., Moline, Ill.; German Alvarez-Fuentes, Dow Chemical's Latin American headquarters at Coral Gables; Frank A. Meyer, Gerber Products Co., Fremont, Mich.; William J. McCarville, Monsanto Co., St. Louis.

The management of the new corporation will have access to the expertise of its shareholders, all of whom have active operations in Latin America. The policy of LAAD, the board said, will be to enter into joint ventures with local partners whose knowledge of marketing and financial arrangements, customs, national laws and politics will be of fundamental importance for the acceptance and success of any project.

Directors' declaration

A statement issued by the directors said:

"LAAD, as an investment corporation capable of finding, analyzing and financing projects and providing management guidance, expects to build a bridge connecting existing know-how with actual practice.

"LAAD shareholders also recognize that the creation of profitable enterprises alone does not guarantee an increase in real wealth in rural Latin America. Rural people must come to share widely in the ownership of the enterprises established by outsiders in order to stimulate the local economy. Therefore, the investment policy of LAAD emphasizes the transfer of ownership to local people as quickly and over as broad a base as possible."

Operating headquarters of LAAD will be in Latin America at a place to be selected after a period of operating experience.

Finnish firm seeks license to make U.S. food items

A major Finnish importer and distributor of foodstuffs is seeking licenses from American companies for the manufacture of food products. Mayonnaise, condensed soups, seasonings, barbecue sauces, dry deepfrozen foods and food novelties are of particular interest to the company. It would also be interested in importing these same products from the United States.

Write: Mr. P. Avotie, Managing Director, Saarioinen Oy, Kalevantie 5, Tampere, Finland. WTD. **P-70419.**

Ceylon firm needs technical, financial help in building 5,000-unit prefab project

A building company which is a subsidiary of a major Ceylonese finance organization is seeking technical and financial collaboration for the construction of 5,000 prefabricated houses. The planned units are to contain 1,200 square feet, with living-dining combination, two or three bedrooms, two baths, kitchen, storage space and servant's bath. Domestic materials will be used to the maximum extent possible in the development in the suburbs of Colombo.

Technical collaboration is sought for the construction of a prefabrication plant to manufacture the housing unit components and for the erection of the units themselves. Medium term financial collaboration for the fabricating plant and a long term loan for the project is now needed.

Write: N. U. Jayawardena, Chairman and Managing Director, Mercantile Housing Ltd., Mercantile House , 51-53 Queen St., or P.O. Box 1166, Colombo 1, Ceylon. WTD. **P-70414.**

Investment Assistance

To receive follow up assistance and general information about investment abroad telephone: 202-967-3786 or write: Office of International Investment, Department of Commerce (BIC-878), Washington, D.C. 20230. "P" numbers should be used when writing about specific proposals.

WTD indicates that a World Trade Directory Report containing financial and business background information on the foreign firm is available for $2 from the Department of Commerce (BIC-924), Washington D.C. 20230 or the nearest Department of Commerce Field Office.

The licensing and joint-venture proposals listed in this section are published as an informational service for U.S. firms interested in overseas affiliations. Companies responding to these opportunities should be cognizant of the present mandatory investment regulations administered by the Office of Foreign Direct Investments, U.S. Department of Commerce, Washington, D.C. 20230.

World Trade Opportunities Continued through page 35

The firms and individuals in the following lists are interested in trade relations with U.S. businessmen. The commodities in which they have expressed interest are indicated by the numbers preceding the commodity classification. The three-digit numbers and commodity classifications are from the Standard Industrial Classification (SIC) Manual. The five-digit numbers under each heading are from the Numerical List of Manufactured Products, 1967 Census of Manufacturers, Bureau of the Census and are used extensively by government and industry in classifying products.

U.S. firms should also be aware that the listing in INTERNATIONAL COMMERCE of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the U.S. Department of Commerce pursuant to the U.S. Export Control Act. For applicable export licensing regulations and policies, see the *Department of Commerce Export Control Regulations* or consult the Bureau of International Commerce's Office of Export Control or any Department of Commerce Field Office.

NOTE: The SIC Manual is available for $4.50; The Numerical List of Manufactured Products (MC67-1) for $1.75 and the Export Control Regulations are priced at $12 a year. These publications may be ordered from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or any of the 42 Department of Commerce Field Offices throughout the United States.

Every effort is made to include only firms or individuals with good reputations. However, the Department of Commerce cannot be responsible for any trade relations.

● indicates that the trade opportunity represents a request for bids by a foreign government agency. A (★) following indicates that additional information may be borrowed by firms located in the U.S. from the Business and Defense Services Administration (BDSA), U.S. Department of Commerce, Washington, D.C. 20230; telephone numbers indicated. To avoid delay, requests for loan material should specify country and commodity.

★★ indicates opportunities obtained by U.S. trade missions to other countries. A (★) following these indicates that additional information may be obtained by writing the International Liaison and Trade Opportunities Staff, BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230. The TM (trade mission) number is requested in correspondence. Requests for loan material should specify country and TM number.

WTD indicates that a World Trade Directory report is available on the foreign firm for which the trade opportunity is listed. These reports, indicating type of organization, sales territory, size of business, sales volume, trade and financial reputation, and other factors, are available for $2 each from the Bureau of International Commerce, BIC-924, U.S. Department of Commerce, Rm. 6059. Telephone: 202-967-4203. The date following the letters WTD refers to the date of issuance of the report. If WTD is in preparation, action will be completed on a priority basis upon receipt of request specifically identifying the trade opportunity involved.

Direct Sales

Specific foreign firms have expressed interest in direct purchases of the products below. See also the "Agencies" listing.

011 Field crop farms

01195—SURINAM—Seeks annual contract for supply of six tons per mo. of shredded peanuts (groundnuts) for manufacture of peanut butter. U.S. firm should be willing to supply samples on request. Woei A. Sjoe N.V. (importer, manufacturer, retailer), P.O. Box 946, Paramaribo. WTD 4/69.

201 Meat products

20111—FRANCE—Frozen meat, parts of beef such as: hearts, tongues, livers, kidneys, sweetbreads. Quote c.i.f. prices Bordeaux International Airport. Geladour, S.A. (importer, distributor, agent), 105, Ave. de l'Adour, 64, Anglet. WTD 2/70.

202 Dairy products

20210 — TAIWAN — Pure creamery butter. Chan Yue Trading Co., Ltd. (importer), Third Floor, 248 Nanking West Rd., Taipei. WTD in preparation.

203 Canning, preserving foods

20338—TAIWAN—Maraschino cherries bottled in syrup with sugar, no artificial sweeteners. Chan Yue Trading Co., Ltd. (importer), Third Floor, 248 Nanking West Rd., Taipei. WTD in preparation.

205 Bakery products

20521—TAIWAN—Cream or cheese crackers, wafers, assorted cookies. Chan Yue Trading Co., Ltd. (importer), Third Floor, 248 Nanking West Rd., Taipei. WTD in preparation.

207 Confectionery

20728—TAIWAN—Cocoa powder in tin or in bulk. Chan Yue Trading Co., Ltd. (importer), Third Floor, 248 Nanking West Rd., Taipei. WTD in preparation.

209 Food preparations

20994—AUSTRALIA—Bakers yeast, compressed deep frozen. Immediate requirement for 25 tons per mo. at expected maximum landed cost of $.15 per lb. Gold Star Bakeries (Dalton Industries), Attn: Mr. Richard Burnett, Dir. (importer, distributor, manufacturer), Lawson House, 10 Clarke St., Crows Nest, NSW 2065. WTD in preparation.

261 Pulp mills

26111—AUSTRIA—Wood pulp other than of beech wood for manufacture of rayon yarn in sheets 48 by 71 centimeters, 700-800 grams per sq. meter, alpha content of 91% at least; ash content 0.04%, resin content 0.2 up to maximally 0.3%; in bales of about 200-250 kg wire-bound (sheets wrapped in wrapping paper, outer wrapping kraft paper for ocean shipping). Annual requirement about 4,000 to 5,000 metric tons; delivery in monthly shipments of about 400 tons. Erste Oesterreichische Glanzstoff-Fabrik A.G. (importer, manufacturer, exporter), Reichsratsstrasse 11, A-1010 Vienna. WTD 12/69.

26112 — PAKISTAN — Approximately 620 tons of bleached sulfate or sulfite woodpulp. Seeks quotations, c. and f. or c.i.f. Karachi. Allied Paper Industries Ltd., Attn: Abdul Qayum (importer), 12 Mandviwalla Chambers, Wood St., Karachi. WTD in preparation.

285 Caulking

● **28500 — BURMA** — Cold caulking compound, cord type, for jointing cast iron pipes, withstand 300 PSI after 72 hours, in cans of 7 lbs. net, 2,000 cans. Tender No. 114/T/SANY./PWC/69-70, bid deadline Mar. 10. Vice Chairman, Public Works Corp., 60 Shwedagon Pagoda Road, Dagon P.O., Rangoon ★(202-967-3512). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Office Building, 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

289 Miscellaneous chemical products

● **28910—CEYLON**—Size for cotton, thin boiling maize starch, packed in paper-lined jute bags, 100,000 kgs.; mutton tallow, in 50-kg. containers, 10,000 kgs.; white maize dextrine, 1,000 kgs.; glycerine, 1,500 kgs. Bid deadline Mar. 12. Chairman, Tender Board, Department of Rural Development and Small Industries, Colombo ★(202-967-3512). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal

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Office Building, 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

291 Petroleum refining

29110 — NETHERLANDS — Petroleum products, all kinds. Sales territory: western Europe. Holland Petroleum N.V. (Att. Mr. R.Ch.B. Labouchere) (importer, distributor, exporter), 34a Wijnhaven, Rotterdam. WTD 1/70.

331 Steel mill products

● **33100 — PAKISTAN** — 40,000 feet steel line pipe of 8.187" I.D., .219" W.T., and 8⅝" O.D. Tender No. SN-1478/69; bid deadline, Mar. 16. Sui Northern Gas Pipelines, Ltd., Lahore, West Pakistan. Copies of tender documents available from Iron and Steel Division, BDSA-669, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2363).

33122 — PAKISTAN — Four thousand to 5000 long tons of steel billets under each of following specification: SAE 1015, 1016, 1020, 1025, 1030, 1035, 1040, 1045, 1050, 1052 and 1060; sizes in inches: 2 x 2, 2½ x 2½, 3 x 3, 3½ x 3½; length in feet: 18 to 24 with 10% shorts down to 12; total requirements valued at about $400,000. Requests airmailed or cabled quotations, c. and f., Karachi. General Iron & Steel Works, Ltd. (importer, manufacturer), D/22 Manghopir Rd., S.I.T.E. Karachi 16. WTD in preparation.

335 Rolling, drawing and extruding of nonferrous metals

● **33500—INDIA**—Supply of 1,500 meters of trailing cable suitable for 500 volts, 50 cycles, 3-phase, A.C. supply, and conforming to the latest international standards. Tender No. 1141/BPO/PR/57944/E-1626. Bid deadline is Mar. 19. Contact V. K. Yashroy, Chief Purchase Officer, Beas Purchase Organization, Talwara Township, Hoshiarpur, Punjab. Copies of tender available on a loan basis from the Copper Division, BDSA, Washington, D.C. 20230. ★Telephone (202-967-3883).

● **33500 — PAKISTAN** — Supply of 21,170 feet of PVC insulated amored L/T. copper cable rate 660/1100 volts of various sizes and cores; 840 pieces of SPN miniature circuit breakers. Tender No. S-11/328/69-70/IDA. Bid deadline Mar. 16. Contact Director of Supply, Government of East Pakistan, 48 Motijheel Commercial Area, Dacca-2, East Pakistan—Cable: SUPPLY, Dacca.

344 Fabricated structural metal products

● **34490—SUDAN**—Supply of two prefabricated metal storage sheds. Bid deadline Mar. 4. Copies of tender specifications and conditions available from Construction and Bldg. Materials Div., BDSA-645, Dept. of Commerce, Washington, D.C. 20230 ★(202-967-3602), and Dept. of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868). Purchaser is the Supplies Dept., Sudan Gezira Board (a Government agency), Barakat, Sudan.

352 Farm machinery

35228 — FRANCE — Small garden tractors. Lyplex S.A. (importer), 194 route d'Heyrieux, 69 Lyon (8) (Rhone). WTD 2/70.

Choice of language

Some people—about seven-eighths of them—just do not understand English.

So when you answer an advertiser in these pages who requests replies in his own language oblige him *and* yourself.

Ask the Department of Commerce Field Office for advice.

353 Construction, mining and materials handling equipment

● **35300 — TURKEY** — One mobile crane, load capacity two tons, diesel hydraulic powered, 360° slewing, and 28-30 m.p.h. traveling speed. Bid deadline Mar. 13. Petrol Ofisi Genel Mudurlugu, Satinalma Komisyonu Baskanligi, Ankara. Specifications are available for $5.50 from the Modern Translation Bureau, Karanfil Sokak 49/1, Yenisehir, Ankara.

35370 — ISRAEL — Aircraft high-loaders; cargo platforms (small carts), dollies and pallets; tractors; to be used as airport ground equipment for servicing 747 Superjets. Lod International Airport (Israel) (importer, airport), P.O. Box 7, Lod.

355 Special industry equipment

● **35500 — VIET NAM** — Machinery and equipment for a plant manufacturing 75,000 units of storage batteries per year. Tender No. 293/NSDA/27, bid deadline Mar. 21. Industrial Development Center, 40-42 Nguyen Hue Blvd., P.O. Box 336, Saigon. Specifications are available on a short term loan basis to firms domiciled in the United States from the General Industrial Equipment Division, BDSA-647, U.S. Dept. of Commerce, Washington, D.C. 20230. ★(Telephone: 202-967-5585).

● **35500**—Machinery and equipment for a plant manufacturing synthetic resin with a production capacity of 600 m/t year, using phthalic anhydride and maleic anhydride as raw materials. Tender No. 334-NSDA-33, bid deadline Mar. 31. Industrial Development Center, 40-42 Nguyen Hue Blvd., P.O. Box 336, Saigon. Specifications are available on a short-term loan basis to firms domiciled in the United States from the General Industrial Equipment Division, BDSA-647, U.S. Dept of Commerce, Washington, D.C. 20230 ★(Telephone: 202-967-5585).

35591—IRAN—Chemical manufacturing industry machinery, equipment for production of calcium carbide. Specifications to be determined through direct correspondence. Sherkat Sahami Acetylene Gas (distributor, manufacturer, retailer), No. 5, Shah-Hosseini St., Meykadeh Ave., Tehran. WTD 1/70.

35595—GERMANY—All kinds of precision watchmaking tools and instruments, manually or machine operated. Rudolf Flume (importer, distributor, agent), 94 Lutzowstrasse, 1 Berlin 30. WTD 1/70.

35595—INDIA—One high vacuum metallizing plant for depositing aluminum on polyester film of gauges 25, 35 and 50. Metallized film will be used for manufacture of metallized polyester capacitors. Mulchandani Electrical and Radio Industries Ltd. (manufacturer), Sukh Sagar, Hughes Rd., Bombay 7. WTD 9/69.

356 General industrial equipment

● **35600—TURKEY**—16 gear pump sets for fuel-oil transfer operations, 380 v, triphase, 50 Hz squirrel cage rotor, explosion proof induction motors, directly coupled to gear pump units over flexible couplings. Fuel-oil transfer capacities for 50 m. WG discharge head: 10 gear pumps each, 40 cu. m/h and six gear pumps each 100 cu. m/h. Bid deadline Mar. 2. Petrol Ofisi Genel Mudurlugu, Satinalma Komisyonu Baskanligi, Ankara. Specifications are available for $5.50 from the Modern Translation Bureau, Karanfil Sokak 49/1, Yenisehir, Ankara.

● **35600**—45 centrifugal pump sets: 15 each, 40 cu. m/h; 15 each, 75 cu. m/h; 10 each, 125 cu. m/h; and 5 each, 200 cu. m/h to be used for fuel transfer operations. 380 V triphase, 50 Hz, squirrel cage rotor, explosion proof electric motors. Centrifugal pump units directly coupled to motors over flexible couplings. Capacities are given for 50 m. discharge head, suction heads to be specified by bidders. Bid deadline Mar. 9. Petrol Ofisi Genel Mudurlugu, Satinalma Komisyonu Baskanligi, Ankara. Specifications are available for $5.50 from the Modern Translation Bureau, Karanfil Sokak 49/1, Yenisehir, Ankara.

35612 — ITALY — Centrifugal pumps for chemical industry. Ingg. Audoli & Bertola. (manufacturer), Corso Vercelli 251, Torino. WTD 2/69.

35690—ISRAEL—Supply of complete plant for mechanical/electronic packaging including general mechanical/electronic systems and equipment such as packaging sheets, and precision metal equipment (presses, shears, lathes, grinders, etc.). Interested in acquiring "know-how" in electronic packaging, micro-wave components and radar/antenna systems, from mechanical viewpoint. Marine & Industrial Engineering Ltd. (formerly AMICO: Agricultural Marine Industrial Consultants), (importer, distributor, manufacturer), Rasco House, 53 Hameginim Ave., P.O. Box 242, Haifa. WTD 8/69.

358 Service industry machines

35854 — ITALY — Cryogenic pumps. Ingg. Audoli & Bertola (manufacturer), Corso Vercelli 251, Torino. WTD 2/69.

361 Electric transmission, distribution equipment

36112—ISRAEL—Electronic test equipment for testing electrical, radio and communications circuits and motors; and semiconductor test equipment. Direct purchase and exclusive agency. Palestine Radio Co. (importer, distributor, retailer, wholesaler), 18 Nahlat Benjamin St., Tel Aviv. WTD 8/69.

362 Arc welder

● **36200—INDIA**—400 amps. at 100 percent duty cycle submerged arc welder with three welding heads suitable for building up locomotive tyre flanges. Tender No. P/510/18/029/19.12.69, bid deadline Mar. 17. Director General, Supplies and Disposals, Jeevantara Building, Parliament St., New Delhi. Tender copies are available from India Supply Mission, 2536 Massachusetts Ave., NW., Washington, D.C. 20008, for $2.50 per copy.

371 Motor vehicles, motor vehicle equipment

37113—ISRAEL—Passenger busses to be used at airport for servicing 747 Superjets. Lod International Airport (Israel) (importer, airport), P.O. Box 7, Lod.

373 Ship building, repairing

37321—UGANDA—Small pedal operated pleasure boats suitable for two persons. Interchange Ltd. (importer, agent), P.O. Box 1992, Kampala. WTD 1/70.

382 Instruments for measuring, controlling, and indicating physical characteristics

● **38200—INDIA**—Supply of 10 electric combination pipe-leak detectors. Tender No. P/224/43/210/17.12.69/PL, bid deadline Mar. 20. Invited by the Director General of Supplies and Disposals, Jeevantara Building, Parliament Street, New Delhi, India. Copies of terms and specifications available, at $1 each, from the India Supply Mission, 2536 Massachusetts Ave., NW., Washington, D.C. 20008. Ref: D/ENQ/21.

387 Watches, clocks, parts

38715—GERMANY—All types of clock and watch parts for separate sale, watch movements. Rudolf Flume (importer, distributor, agent), 94 Lützowstrasse, 1 Berlin 30. WTD 1/70.

391 Jewelry, silverware, plated ware

39120—GERMANY—All types of jewelers' findings, materials. Rudolf Flume (importer, distributor, agent), 94 Lützowstrasse, 1 Berlin 30. WTD 1/70.

Leads for Importers

Commodities are offered direct unless specified

098 Fish hatcheries

09800—PHILIPPINES—Salt-water aquarium fishes. Radio City Recording System (exporter, retailer), 51 Tagaytay St., Manresa, Quezon City. WTD 1/70.

203 Canning, preserving foods

20310—SWEDEN—Canned cooked eel in jelly, net weight 4 and 8 ounce, packed in cartons containing 20 and 50 cans. AB Alexporten (manufacturer), Box 61, S-290 20 Ahus. WTD 11/69.

348 Fabricated wire products

34819—GUYANA—Rat and mouse traps made in dome shape with measurements 18" x 10" x 7"; mouse traps 9" x 7" x 4½". Made of wire and soldered joint wire netting with galvanized metal trap door, these traps can be shipped complete or in parts for easy assembly. DaSilvas' Watch and Clock Store (importer, exporter, retailer, wholesaler, manufacturer), 67 Robb St., Lacytown, Georgetown. WTD 7/69.

Agencies

Specific foreign firms have expressed interest in agency agreements for the products listed below. Exclusive agencies for these products are wanted only if specified.

207 Confectionery

20713—TAIWAN—Confectionery, packaged goods. Exclusive agency. Orient Trading Co., Ltd. (agent), P.O. Box 3240, Taipei. WTD in preparation.

221 Broad woven fabric mills, cotton

22110 — SWITZERLAND — Cotton fabrics for manufacture of sheets, towels, washcloths. Boller-Winkler & Cie.; Attn: Mr. Bruno Boller (manufacturer, agent), 8488 Turbenthal, Bern. WTD 6/69.

229 Textile goods

22992 — PAKISTAN — Yarn, metallic, 50 gauge 1/69 in gold and silver colors. Requests catalogs, quotations, c. and f. Karachi. Arshad Amjad and Abid Ltd. (importer, agent), 311-314 Muhammadi House, McLeod Rd., Karachi. WTD in preparation.

262 Paper mills, products

26215—IRAN—Cigarette paper. Quantity, specifications to be determined through direct correspondence. Exclusive agency. Gibson Co. Ltd. (importer, distributor, agent), Seraye Chitsaz, Tehran. WTD 1/70.

264 Converted paper, paperboard products

26432—IRAN—Kraft liners. Quantity, specifications to be determined through direct correspondence. Gibson Co. Ltd. (importer, distributor, agent), Seraye Chitsaz, Tehran. WTD 1/70.

282 Synthetic materials

28230—PAKISTAN—Yarns, viscose, 75,120 and 150 denier. Requests catalogs, quotations, c. and f. Karachi. Arshad Amjad and Abid Ltd. (importer, agent), 311-314 Muhammadi House, McLeod Rd., Karachi. WTD in preparation.

28210 — SWITZERLAND — Additives and similar products for plastics, rubber, paints industries. ACIMA AG; Attn: Mr. Frick (distributor, agent), Postfach, 9470 Buchs. WTD 9/68.

28241 — PAKISTAN — Yarn, polyamide; 40/1 and 40/2 denier; nylon yarn 40 and 50 denier. Requests catalogs, quotations, c. and f. Karachi. Arshad Amjad and Abid Ltd. (importer, agent), 311-314 Muhammadi House, McLeod Rd., Karachi. WTD in preparation.

28242—PAKISTAN—Polyester yarn, 50 and 75 denier. Requests catalogs, quotations, c. and f. Karachi. Arshad Amjad and Abid Ltd. (importer, agent), 311-314 Muhammadi House, McLeod Rd., Karachi. WTD in preparation.

284 Soap, detergents, cleaning preparations, perfumes, cosmetics

28424—SWEDEN—Automobile body polish, cleaners. Bil-Kemi AB (importer, distributor, agent), Box 337, S-501 06 Boras. WTD 1/70.

342 Cutlery, hand tools, general hardware

34294 — TAIWAN — Builders' hardware. Fong Sheng & Co., Ltd. (importer, agent), P.O. Box 12330, Taipei. WTD in preparation.

353 Construction, mining, materials handling machinery, equipment

35316—PANAMA—Concrete mixers and vibrators. Pretensado, S.A. (importer, distributor, agent), P.O. Box 6398, Panama, 5, R.P. WTD 1/70.

354 Metalworking machinery

35442—PANAMA—Industrial molds of concrete, steel or wood. Pretensado, S.A. (importer, distributor, agent), P.O. Box 6398, Panama 5, R.P. WTD 1/70.

35451—ITALY—Special and new small cutting tools for machine tools, metalworking machinery in general. E. Savio & C. di Luigi Cuvertino & Figli (importer, agent), Corso Matteotti 17, Torino. WTD 10/69.

357 Office, computing, accounting machines

35730—SWITZERLAND—System aid application packages for all kinds of usual computing machines. Aktiengesellschaft Institut fur Automation; Attn: Mr. G. E. Burgermeister, (distributor, agent), Ceresstrasse 27, 8008 Zurich. WTD 6/69.

35760 — SWITZERLAND — Weighing scales; weighing, filling, proportioning and bagging machinery; related implements to be mounted in packaging machinery. Max Keller AG (importer, distributor, manufacturer), Schulstrasse 6, 8330 Pfaeffikon. WTD in preparation.

358 Service industry machines

35890—SWITZERLAND—Water softening and treatment equipment for application in nurseries, large greenhouses. Bacher AG; Attn: Mr. Meyer (distributor, agent), Baselstrasse 28-32, 4153 Reinach. WTD 3/69.

361 Electric transmission, distribution equipment

36112—TAIWAN—Precision testing instruments for microwave engineering. Yuan Kong Enterprises, Ltd. (importer, agent), P.O. Box 22687, Taipei. WTD 6/69.

362 Electrical industrial apparatus

36220—SWITZERLAND—Automatic operation controls for regulation of temperature, humidity, illumination etc. in green houses. Bacher AG; Attn: Mr. Meyer (distributor, agent), Baselstrasse 28-32, 4153 Reinach. WTD 3/69.

365 Radio, television receiving sets

36514—IRAN—Magnetic tape recorders for motion picture industries. Specifications, quan-

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tities to be determined through direct correspondence. Exclusive agency. Establishments Vital (importer, distributor, agent), 489 Nasserkhosrow Ave., Tehran. WTD 1/70.

371 Motor vehicles, motor vehicle equipment

37141 — SWEDEN — Parts, accessories for passenger cars. Bil-Kemi AB (importer, distributor, agent), Box 337, S-501 06 Boras. WTD 1/70.

386 Photographic equipment

38610—IRAN—Motion picture films and processing equipment and cinematographic chemicals. Specifications, quantities to be determined through direct correspondence. Exclusive agency. Establishments Vital (importer, distributor, agent), 489 Nasserkhosrow Ave., Tehran. WTD 1/70.

394 Toys, amusement, sporting goods

39493—TAIWAN—Skin diving equipment. Yuan Kong Enterprises, Ltd. (importer, agent), P.O. Box 22687, Taipei. WTD 6/69.

Firms must prequalify to bid on New Guinea road projects

The Administration of Papua and New Guinea is seeking registration of contractors who wish to be considered for prequalification for tenders to be called on the construction of three highland road sections. The tenders will be as follows: 1) tender No. TC368/014 roadworks, drainage and bridgeworks, Kundiawa to Minj; 2) tender No. TC 336/014 roadworks, drainage, and bridgeworks, Kudjip to Mount Hagen; and 3) tender No. TC201/005 roadwork, draining and bridgeworks, Mount Hagen to Ankura River.

The closing date for registration of contractors is Mar. 10.

For additional information, contact the Construction and Building Materials Division, BDSA-645, U.S. Department of Commerce, Washington, D.C. 20230★ (Telephone: 202-967-3602).

Haitian agency seeks U.S. bids on industrial park projects

IDAI, a quasi-governmental Haitian agency, aided by the Inter-American Development Bank, seeks bids from U.S. firms for sewage, drainage systems, electrical power, and street-paving projects for an industrial park in a free zone in Port Au Prince.

Sealed bids will be accepted until 10 a.m., Feb. 27. Public openings of bids will be held at 10:30 a.m. the same day. A $10 deposit is necessary to obtain plans and drawings; this deposit is reimbursable upon return of the documents. Contact Institut De Developpement Agricole Et Industriel, Port Au Prince, Haiti.

NATO extends bid deadline

The Secretary General of the North Atlantic Treaty Organization has extended the bid deadline on Tender No. 1970/6 for the supply of transceivers from Feb. 6 to Mar. 6. (INTERNATIONAL COMMERCE, Feb. 9, and *Commerce Business Daily*, Feb. 3).

Future Construction

For maximum assistance to those interested in overseas construction projects, U.S. Foreign Service officers report them as soon as possible, often in early planning stages. Some may not reach completion as originally proposed. In such cases additional information is published as it is obtained.

GERMANY—Future construction plans of the Esso Motor Hotel GmbH, were announced at a press conference at the Esso Motor Hotel in Sindelfingen, near Stuttgart on Jan. 28. Investment in **new hotels** will raise the number from the 37 currently in operation to 42 by the end of 1970. In West Germany six Esso hotels are presently in operation, at Sindelfingen, Freiburg, Heidelberg, Nuernberg, Hamburg and Hanover, while two additional facilities are under construction in Cologne (120 rooms) and Munich (156 rooms). A 230-room hotel will be started in Frankfurt in the near future.

The Esso chain of hotels offers 2408 rooms, and extends throughout England, the Netherlands, Austria, Italy, Belgium, Denmark, Sweden and West Germany.

Interested U.S. firms may contact J. J. Reilly Jr., Exec. v.p., Esso Motor Hotels, Inc., Hancock House, 87 Vincent Square, London S.W.1, England.

GUATEMALA—The Government of Guatemala invites bids on **two water tunnels and road construction** for the Acueducto Nacional Xaya-Pixcaya (the new water supply system for the metropolitan area). The works (Tender No. T-1) include approximately 10,000 meters of 2.2 meter diameter tunnels and the improvement and construction of access roads leading to the tunnels. This project is being supervised by the Unidad Ejecutora, Acueducto Nacional Xaya-Pixcaya, the Ministerio de Communicaciones y Obras Publicas, Aeropuerto La Aurora, Zona de Aeronautica Civil, Zona 13, Guatemala City, Guatemala, and complete specifications are available from that office upon delivery of 500 sheets of SCM 33 Electrostatic photocopy paper (legal size). Plans and specifications for the overall water project are available upon delivery of 50 yards of 42" wide heliographic paper. Bids should be presented in Spanish in sealed envelopes, indicating their contents.

KOREA—The Korea Housing Corp., a Government-owned enterprise located at 180-10 Chungjung-ro, Sudaemun-ku, Seoul, is constructing **23 apartment houses for foreign residents** in Seoul. The five-story buildings have a total of 500 apartments and a total floor area of approximately 148,323 sq. ft. on a 145,000 sq. ft. site.

The Corporation is earnestly seeking, before July, a central heating system plus engineering supervision services from U.S. sources. Specifications and quantities based on a preliminary study by the American Hydrotherm Overseas Corp. and Hydrotherm Japan Limited are available from the Construction and Building Materials Div., BDSA-645, Department of Commerce, Washington, D.C. 20230 ★(202-967-3602), and from the Department of Commerce Field Office, 11444 Federal Building, 450 Golden Gate Ave., San Francisco, Calif. 94102 ★(415-556-5868).

U.S. suppliers are requested to furnish quotations based on both f.o.b. and c. & f., Korea. All inquiries should be referred to Mr. I. M. Chunjai, Chief, Procurement Division, Korea Housing Corp., 180-10 Chungjung-ro, Sudaemun-ku, Seoul (Cable Address: KOHUCO, Seoul). Funds will be allocated by the Guatemalan Government from an outstanding credit line committed by the Interamerican Development Bank.

Bid deadline is March 17.

Information on this project is also available from the Departamento de Bienes, Nacionales y Licitaciones, 3a Calle 3-49, Zona 1, Guatemala City, Guatemala.

URUGUAY-ARGENTINA—Firms interested in the **bridge connecting Paysandu, Uruguay with Colon, Argentina** (see INTERNATIONAL COMMERCE, Dec. 29, *Commerce Business Daily*, Dec. 24) are hereby notified that additional technical information is available for review in Room 4813, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-3602). The new documentation includes a brief summary of the bridge's basic characteristics, a regional plan showing the roads which feed in to the bridge, and a general structural plan giving the bridge's dimensions.

Future construction summary available

A quarterly summary of future construction projects abroad, contract award stories and significant foreign government tenders published in the INTERNATIONAL COMMERCE and *Commerce Business Daily* during October, November, December 1969, is available to U.S. firms from the International Liaison and Trade Opportunities Staff (ILTO), BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230. A pre-addressed mailing label should be included with the request to facilitate processing and mailing.

The summary, which may also be reviewed at any of the 42 Commerce Field Offices, alphabetically lists project summaries by country in five distinct classes: airport, seaport, railroad and highway projects; hydro and thermal electric plant and irrigation projects; hospital, hotel and housing projects; industrial plant projects; and comprehensive development projects. Whenever possible, names of contractors and responsible agencies are cited, as well as original publication dates.

Visiting Buyers and Officials

AFGHANISTAN—Akbar Khwaja, representing Akbar Khwaja Trader, Serai Shahzada, Kabul, interested in visiting U.S. watch manufacturers and locating markets for Afghan handicrafts. 1st week of February via New York for 1 to 2 mo. c/o Master Lock Co., 2600 N. 32d, Milwaukee, Wis. 53245. Itinerary: New York, New Jersey, others as required. WTD 1/70.

AFGHANISTAN—Krishnan Kumar Soni, Ram Saran & Sons, P.O. Box 56, Kabul, interested in market research for Afghan carpets, pistachios and handicrafts. 3d week of Feb. via New York for 3 weeks. c/o Brown & Williamson Tobacco Corp., P.O. Box 659, Louisville, Ky. 40201. Itinerary: New York, Kentucky, California. WTD is now in preparation.

ARGENTINA—Juan Carlos Rabinovicz, Radiant International S.R.L., Cordoba 373, Buenos Aires, interested in agency agreements with U.S. manufacturers of manila paper 220 grams, kraft paper, latex impregnated paper for abrasives, silicon carbide crystals, fuse aluminum oxide, other abrasive grains and requesting technical information. Feb. 10 via Philadelphia for 6 weeks. c/o 849 North Vista, Los Angeles, Calif. 90046. Itinerary: Philadelphia, Wilmington, Delaware, New York, Rochester, Chicago, Milwaukee, San Francisco, Los Angeles, Houston, New Orleans. WTD 1/70.

AUSTRALIA—Ralph S. Cadman and Ross W. Marshall, representing Marlan Australia Pty. Ltd., 35 Parramatta Road, Five Dock, N.S.W., interested in licensing agreement for car, truck and/or bus air-conditioning equipment in part or complete units and requesting technical information. Feb. 15 via Los Angeles for at least 15 days. c/o John E. Mitchell Co., 3800 Commerce St., Dallas, Tex. 75226. Itinerary: Los Angeles, 2/20-3/2 Dallas, others as required. WTD 2/70.

MOROCCO—Henry Grard, Societe des Tanneries Grard STAG, 141 Boulevard Rahal El Meskini, Casablanca, interested in establishing business relations with importers of leather and leather goods. Feb. 20 via Boston for 3 weeks. c/o Shrut & Asch Leather Co., 83 South St., Boston, Mass. 02130. Itinerary: Boston, New York, Milwaukee, New York, Chicago. WTD in preparation.

Australia to buy feed pumps

The Southern Electric Authority, Queensland, Australia, will soon issue a tender for four feed pumps for the Central Queensland Power House project at Queensland. Information is available from The Secretary, Southern Electric Authority of Queensland, 62-80 Ann St., Brisbane, Queensland 4000.

Morocco invites suppliers to prequalify for projects

The Moroccan Civil Aviation Authority invites applications from firms interested in prequalifying as bidders on the following projects: the supply and installation of a radar system for regional control center at Nouasseur Airport; supply and installation of Category Two guidance lights for landing approach to Nouasseur; supply and installation of high intensity guidance lights for the approach to Rabat-Sale Airport.

Copies of questionnaires are available in French on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230★ (Telephone: Code 202-967-4823).

Pakistan issues tenders for fire alarm system at Karachi wharf

The Chief Mechanical Engineer, Karachi Port Trust, Berth No. 7, Keamari, Karachi, has issued a tender for the design, supply and erection of a firm alarm system, 30 call points and a central receiving station for the West Wharf in Karachi. The bid deadline is Mar. 11.

Copies of the specifications are available on a loan basis to firms domiciled in the U.S. from the General Industrial Equipment Division, BDSA-647, U.S. Dept. of Commerce, Washington, D.C. 20230. ★(Telephone: 202-967-5585).

U.S. DEPARTMENT OF COMMERCE—FIELD OFFICES

Information and advice is available from these offices on: foreign markets for U.S. products and services, economic facts on foreign countries, firms with marketing facilities in foreign countries, trade and investment opportunities abroad, Government financing aid to exporters, foreign exchange regulations and procedures, export and import statistics.

ALBUQUERQUE, N. MEX., 87101, U.S. Courthouse. Area Code 505, 843-2386.
ANCHORAGE, ALASKA, 99501, 412 Hill Bldg., 632 Sixth Ave. Area Code 907, 272-6531.
ATLANTA, GA., 30303, 4th Floor Home Savings Bldg., 75 Forsyth St. N.W. Area Code 404, 526-6000.
BALTIMORE, MD., 21202, 305 U.S. Customhouse, Gay and Lombard Sts. Area Code 301, 962-3560.
BIRMINGHAM, ALA., 35205, Suite 200-201, 908 S. 20th St. Area Code 205, 325-3327.
BOSTON, MASS., 02203, Room 510, John Fitzgerald Kennedy Federal Bldg. Area Code 617, 223-2312.
BUFFALO, N.Y., 14203, 504 Federal Bldg., 117 Ellicott St. Area Code 716, 842-3208.
CHARLESTON, S.C., 29403, Federal Bldg., Suite 631, 334 Meeting St. Area Code 803, 577-4171.
CHARLESTON, W. VA., 25301, 3000 New Federal Office Bldg., 500 Quarrier St. Area Code 304, 343-6181, Ext. 375 and 376.
CHEYENNE, WYO., 82001, 6022 Federal Bldg., 2120 Capitol Ave. Area Code 307, 778-2220, Ext. 2151.
CHICAGO, ILL., 60604, 1486 New Federal Bldg., 219 S. Dearborn St. Area Code 312, 553-4400.
CINCINNATI, OHIO, 45202, 8028 Federal Office Bldg., 550 Main St. Area Code 513, 684-2944.
CLEVELAND, OHIO, 44114, Room 600, 666 Euclid Ave. Area Code 216, 522-4750.
DALLAS, TEX., 75202, Room 1200, 1114 Commerce St. Area Code 214, 749-3287.
DENVER, COLO., 80202, 16419 Federal Bldg., 20th and Stout Sts. Area Code 303, 297-3246.
DES MOINES, IOWA, 50309, 609 Federal Bldg., 210 Walnut St. Area Code 515, 284-4222.
DETROIT, MICH., 48226, 445 Federal Bldg. Area Code 313, 226-6088.
GREENSBORO, N.C., 27402, 258 Federal Bldg., W. Market St. P.O. Box 1950. Area Code 919, 275-9111.
HARTFORD, CONN., 06103, Room 610-B, Federal Office Bldg., 450 Main St. Area Code 203, 244-3530.
HONOLULU, HAWAII, 96813, 286 Alexander Young Bldg., 1015 Bishop St. Area Code 808, 546-5977.
HOUSTON, TEX., 77002, 5102 Federal Bldg., 515 Rusk Ave. Area Code 713, 226-4231.
JACKSONVILLE, FLA., 32202, P.O. Box 35087, 400 W. Bay St. Area Code 904, 791-2796.
KANSAS CITY, MO., 64106, Room 2011, 11 Walnut St. Area Code 816, 374-3141.
LOS ANGELES, CALIF., 90024, 11th Floor, Federal Bldg., 11000 Wilshire Blvd. Area Code 213, 824-7591.
MEMPHIS, TENN., 38103, 710 Home Federal Bldg., 147 Jefferson Ave. Area Code 901, 534-3214.
MIAMI, FLA., 33130, Rm. 821, City National Bank Bldg., 25 W. Flagler St. Area Code 305, 350-5267.
MILWAUKEE, WIS., 53203, Straus Bldg., 238 W. Wisconsin Ave. Area Code 414, 272-8600.
MINNEAPOLIS, MINN., 55401, 306 Federal Bldg., 110 S. Fourth St. Area Code 612, 725-2133.
NEW ORLEANS, LA., 70130, 909 Federal Office Bldg., S., 610 South St. Area Code 504, 527-6546.
NEW YORK, N.Y., 10007, 41st Floor, Federal Office Bldg., 26 Federal Plaza, Foley Sq. Area Code 212, 264-0634.
PHILADELPHIA, PA., 19107, Jefferson Bldg., 1015 Chestnut St. Area Code 215, 597-2850.
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ST. LOUIS, MO., 63103, 2511 Federal Bldg., 1520 Market St. Area Code 314, 622-4243.
SALT LAKE CITY, UTAH, 84111, 3235 Federal Bldg., 125 S. State St. Area Code 801, 524-5116.
SAN FRANCISCO, CALIF., 94102, Federal Bldg., Box 36013, 450 Golden Gate Ave. Area Code 415, 556-5864.
SAN JUAN, P.R., 00902, Room 100, Post Office Bldg. Phone 723-4640.
SAVANNAH, GA., 31402, 235 U.S. Courthouse and Post Office Bldg., 125-29 Bull St. Area Code 912, 232-4321.
SEATTLE, WASH., 98104, 8021 Federal Office Bldg., 909 First Ave. Area Code 206, 583-5615.

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New Books and Reports

Overseas Business Reports. U.S. Department of Commerce. Washington, D.C. 1969. $16 per year. ($5 additional for overseas mailing), 15 cents per copy.

Foreign Trade Regulations of Sweden. OBR 69-74 8pp. Reviews the national trade policy, its import tariff structure, special customs provisions, internal taxes, shipping documents, marking and labeling requirements, non-tariff import controls, export controls, and U.S. controls affecting trade with Sweden.

Foreign Trade Regulations of Norway. OBR 69-83. Contains the same general information as OBR 69-74, above.

Write: any Department of Commerce Field Office or Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

***Economic Integration Among Developing Countries.* By F. Kahnert, P. Richards, E. Stoutjesdijk, P. Thomopoulos. OECD, Paris. 1969. 162pp. $4.**

This special study by the OECD's Development Center attempts to assess the benefits and drawbacks of existing integration schemes in an overall economic context. It also tries to define those areas in which foreign aid can improve the chances of economic integration among developing countries.

Individual chapters deal with: economic theory and integration; some general conditions for successful integration; the performance of eleven existing schemes and a comparative assessment of them; other schemes offering benefits similar to those of integration; and the role of foreign public assistance. A final section contains eleven pages of summation and conclusions.

Write: OECD Publications Center, Suite 1305, 1750 Pennsylvania Ave., N.W., Washington, D.C. 20006.

***Seeds of Change: The Green Revolution and Development in the 1970's.* By Lester R. Brown. Praeger Publishers, New York. 205pp. $6.95 ($2.50 paperbound).**

The author studies all aspects of the technological breakthrough brought about by the newly-developed 'miracle' wheat and rice seeds. Topics covered include: the role of the multi-national corporation in transferring technology; the research dividend; the role of the U.S. Government; overloaded marketing systems; and rising agricultural protectionism.

Write: Praeger Publishers, 111 Fourth Ave., New York, N.Y. 10003 (212-254-4100).

***Nurturing New Ideas: Legal Rights & Economic Roles.* L. James Harris (Ed.), BNA Books, Rockville, Md. $14.50.**

The director of the PTC (Patent, Trademark, Copyright) Research Institute of the George Washington University, edits 31 essays by distinguished authors who analyze and evaluate the contributions of patent and related systems to the economic and social performance of the United States and other countries. Included in the collection is a study of foreign licensing of patents, trademarks and U.S. know-how not obtainable from any other source.

Write: BNA Books, Fishers Lane, Rockville, Maryland 20852.

Aerospace equipment trade control study available

A worldwide study, by country, of tariff and non-tariff trade barriers on aerospace products with emphasis on aircraft and related equipment is now available through the Department of Commerce. The study consists of five separate geographic areas: Africa, Europe, the Far East, Latin America and the Caribbean, and the Near East-South Asia. It was prepared by the Transportation Products Division, Business Defense Services Administration, from information supplied by the Office of International Regional Economics, Bureau of International Commerce.

Repeated requests from the Aerospace Industries Association of America (AIA) and individual firms in or servicing the aviation industry initiated the preparation of the study on a worldwide basis. Copies of the study have been forwarded to AIA for loan to its members. Additional copies may be obtained by interested firms, on a loan basis, from the Transportation Products Division, BDSA, U.S. Department of Commerce, Washington, D.C. 20230.

INTERNATIONAL MARKETING INFORMATION SERVICE

Latest IMIS reports are:

Exhibitor's Export Market Guides (*for U.S. Trade Center Shows*): IMIS 70-2—Bangkok—Office Equipment and Business Machines, June 22-26. IMIS 70-4—Bangkok—Agricultural Machinery.

***The Industry of Jordan: 1969.* Published by Amman Chamber of Industry. $1.**

This English-language publication lists the names, addresses, and telephone numbers of the majority of the manufacturing and processing firms in Jordan. The booklet also contains a valuable summary of information on the Jordanian economy, Jordan's foreign trade, local laws and regulations, and general import regulations.

The booklet is available to foreign chambers of commerce and government departments free-of-charge. Private firms and individuals should send a check or money order for $1 to the Amman Chamber of Industry, P.O. Box 1800, Amman, Jordan to cover the cost of postage and handling.

***Lebanese Industrial and Commercial Directory: 1969-70.* Published by Middle East Commercial Information Center, Beirut. 421pp. $15.**

With textual introductions in French, Arabic and English, this directory contains the names of firms and private individuals which are active in Lebanon's economy. It is indexed by: concerns, services, professions and industries.

Write: International Publications Service, 303 Park Ave. South, New York, N.Y. 10010.

***The Japanese Employee.* By Robert J. Ballon. Published by Sophia University, Tokyo, in cooperation with Charles E. Tuttle Co., Rutland, Vt. 317pp. $8.**

The author presents a rather good general, once-over-lightly picture of his subject, but much of the data is old. This volume should be extremely interesting to anyone wishing to gain an overall knowledge of what is involved in staffing a company in Japan. The reader should not look for in-depth treatment of the subjects suggested in chapter headings.

Write: Charles E. E. Tuttle Co., Rutland, Vt. 05701.

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Calendar *for international traders*

BRISTOL, CONN.—Mar. 2—Export seminar on introduction to world trade, 7 p.m. to 9 p.m. at the Bristol Chamber of Commerce, 81 Main St. Sponsors: Bristol Chamber of Commerce; REEC, and Commerce Field Office.

BRIDGEPORT, CONN.—Mar. 5—Export seminar on through transportation ocean cargo, 7 p.m. to 9 p.m., at the State National Bank of Connecticut, Directors Room, 1189 Main St. Sponsors: State National Bank, Bridgeport Chamber of Commerce, REEC, and Commerce Field Office.

CHICAGO—Mar. 3—Automotive Exporters' Club meeting, Builders Building.

CHICAGO—Mar. 4—In-office meeting for exporters, Commerce Field Office.

CHICAGO—Mar. 12—International Trade Club of Chicago meeting, Bismarck Hotel.

CHICAGO—Mar. 18—Chicago Midwest Credit Management Assn. meeting, Bismarck Hotel.

CLEVELAND—Apr. 3—Twenty-FifthAnnual Cleveland Trade Conference. **Speaker: Robert McLellan, Deputy Asst. Secretary of Commerce for Business Development.**

DAYTON, OHIO—Mar. 4—Second Annual Export Trade Workshop—Sixth of seven sessions, University of Dayton. Sponsors: University of Dayton, REEC, Dayton World Trade Committee, and Commerce Field Office.

DETROIT—Mar. 3—Export Workshop, 10 a.m., Commerce Field Office, 533 Federal Bldg.

DETROIT—Mar. 19—World Trade Club of Detroit, Pick-Fort Shelby Hotel, 6 p.m.

FAIRFIELD, CONN.—Mar. 3—Export Managers of Bridgeport (Southern Connecticut) luncheon, 12-2 p.m., Fairfield Motor Inn.

GALESBURG, MICH.—Mar. 24—Monthly meeting of Western Michigan Trade Club, 6 p.m., Inman's Restaurant.

HONOLULU—Mar. 18—'How to Get Started in Export-Import' workshop, 10 a.m., Commerce Field Office.

KANSAS CITY—Mar. 10—Meeting on international credits and collections, Top of the Tower, 911 Main, 6 p.m. Sponsors: International Trade Club, REEC, Commerce Field Office.

MILWAUKEE—Mar. 5—Milwaukee World Trade Club monthly meeting, Holiday Inn, Midtown. Speakers: James Foster, Northwest Orient Airlines, Minneapolis, and F. L. Betz, Lykes Bros. Steamship Co., New Orleans.

Calendar deadline

Information for publication must be received three weeks before the date of the announced event. Include time, place, sponsoring organization and special topic, if applicable. Meetings must be open to the public in order to be publicized in this space. **Write:**

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International Commerce
BIC-204
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Washington, D.C. 20230

MINNEAPOLIS—Mar. 11—Seminar on export packing and crating, Commerce Field Office, 3-5 p.m. Speaker: John D. Ristine. Total Export, Inc. Sponsors: REEC, Commerce Field Office.

MINNEAPOLIS—Mar. 18—Seminar on export licenses, Commerce Field Office, 3-5 p.m. **Speaker: Ken C. Miller, Commerce Field Office.** Sponsors: REEC, Commerce Field Office.

NEW ORLEANS—Mar. 2—First of six weekly seminars on Export Financing and Credit Problems, 7:30 p.m., Louisiana State University in New Orleans. Sponsors: L.S.U., Louisiana-Mississippi REEC, Commerce Field Office.

NEW YORK—Mar. 3—FCIB Roundtable Conference on foreign finance, credit, collection and exchange problems, 1:30 p.m., Summit Hotel.

NEW YORK—Mar. 18—Thirty-seventh annual Port of New York Dinner, Commodore Hotel, 7 p.m. **Speaker: Robert McLellan, Deputy Asst. Secretary for Business Development, U.S. Dept. of Commerce.**

NEW YORK—Apr. 20-23—Annual Packaging Conference and Exposition. Conference, Apr. 20-22, American Hotel. Exposition, Apr. 20-23, Coliseum. Sponsor: American Management Assn.

ST. LOUIS—Mar. 3—"Show You" Export Workshop, Conference Room, Federal Building, 2 p.m. Sponsors: REEC and Commerce Field Office.

SALINA, KAN.—Mar. 17—Export market development workshop, 9 a.m. to noon, and export documentation workshop, 2-4:30 p.m., Chamber of Commerce, 115 W. Iron. Sponsors: REEC and Commerce's Kansas City Field Office.

SAN FRANCISCO—Mar. 16—"Expanding Role of the United States in International Trade in the Seventies," Fairmont Hotel, 2 p.m. Speaker: William R. Trulock, Regional Manager, *Business International.* Sponsor: Foreign Trade Division of National Ass'n. of Secondary Material Industries.

WASHINGTON, D.C.—Mar. 4—Foreign Trade and Investment Policy, dinner meeting of the Brookings Institution. **Speaker: K. N. Davis, Jr., Asst. Secretary of Commerce for Domestic and International Business.**

WASHINGTON, D.C.—Mar. 5—Monthly meeting of the International Conference Committee of the American Marketing Assn., Room 6802, Main Commerce, Noon. **Speaker: Ron Demer, Spec. Asst. to Director of BIC.** Subject: Commerce Programs to Enhance World Trade Promotion.

WASHINGTON, D.C.—Mar. 23-24—10th Annual Washington Conference on Business-Government Relations, Shoreham Hotel. Sponsor: The American University Center for the Study of Private Enterprise.

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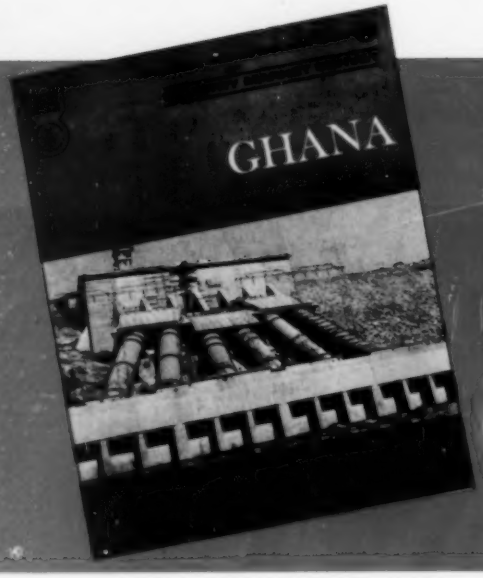

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